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Application

Summit Medical
Center

CN1304-011

2013 APR 11 AM 8 50

April 10, 2013

Melanie M. Hill, Executive Director
Tennessee Health Services and Development Agency
Frost Building, Third Floor
161 Rosa Parks Boulevard
Nashville, Tennessee 37203

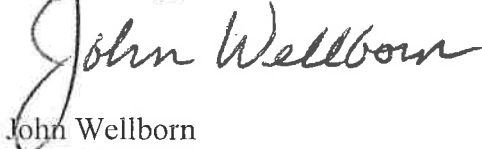
RE: CON Application Submittal
Summit Medical Center--Addition of Rehabilitation Service
Hermitage, Davidson County

Dear Mrs. Hill:

This letter transmits an original and two copies of the subject application. The affidavit and filing fee are enclosed.

I am the contact person for this project. Jerry Taylor is legal counsel. Please advise me of any additional information you may need. We look forward to working with the Agency on this project.

Respectfully,



John Wellborn
Consultant

SUMMIT MEDICAL CENTER

CERTIFICATE OF NEED APPLICATION
TO ESTABLISH
A 12-BED ACUTE INPATIENT
REHABILITATION UNIT
AND AN 8-BED ORTHOPEDIC UNIT
THROUGH BED CONVERSIONS

Submitted April 2013

PART A

1. Name of Facility, Agency, or Institution

Summit Medical Center		
<i>Name</i>		
5655 Frist Boulevard	Davidson	
<i>Street or Route</i>	<i>County</i>	
Hermitage	TN	37076
<i>City</i>	<i>State</i>	<i>Zip Code</i>

2. Contact Person Available for Responses to Questions

John Wellborn		Consultant	
<i>Name</i>		<i>Title</i>	
Development Support Group		jwdsg@comcast.net	
<i>Company Name</i>		<i>E-Mail Address</i>	
4219 Hillsboro Road, Suite 203	Nashville	TN	37215
<i>Street or Route</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>
CON Consultant	615-66-2022	615-665-2042	
<i>Association With Owner</i>	<i>Phone Number</i>	<i>Fax Number</i>	

3. Owner of the Facility, Agency, or Institution

HCA Health Services of Tennessee, Inc.		615-441-2357
<i>Name</i>		<i>Phone Number</i>
Same as in #1 above		
<i>Street or Route</i>		<i>County</i>
Hermitage	TN	37076
<i>City</i>	<i>State</i>	<i>Zip Code</i>

4. Type of Ownership or Control (Check One)

A. Sole Proprietorship		F. Government (State of TN or Political Subdivision)	
B. Partnership		G. Joint Venture	
C. Limited Partnership		H. Limited Liability Company	
D. Corporation (For-Profit)	x	I. Other (Specify):	
E. Corporation (Not-for-Profit)			

**PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS**

5. Name of Management/Operating Entity (If Applicable) **NA**

<i>Name</i>		
<i>Street or Route</i>		<i>County</i>
<i>City</i>	<i>State</i>	<i>Zip Code</i>

6. Legal Interest in the Site of the Institution (Check One)

A. Ownership	x	D. Option to Lease	
B. Option to Purchase		E. Other (Specify):	
C. Lease of _____ Years			

7. Type of Institution (Check as appropriate—more than one may apply)

A. Hospital (Specify): General	x	I. Nursing Home	
B. Ambulatory Surgical Treatment Center (ASTC) Multi-Specialty		J. Outpatient Diagnostic Center	
C. ASTC, Single Specialty		K. Recuperation Center	
D. Home Health Agency		L. Rehabilitation Center	
E. Hospice		M. Residential Hospice	
F. Mental Health Hospital		N. Non-Residential Methadone	
G. Mental Health Residential Facility		O. Birthing Center	
H. Mental Retardation Institutional Habilitation Facility (ICF/MR)		P. Other Outpatient Facility (Specify):	
		Q. Other (Specify):	

8. Purpose of Review (Check as appropriate—more than one may apply)

A. New Institution		G. Change in Bed Complement Please underline the type of Change: Increase, Decrease, <u>Designation</u> , Distribution, <u>Conversion</u> , Relocation	
B. Replacement/Existing Facility		H. Change of Location	
C. Modification/Existing Facility	x	I. Other (Specify):	
D. Initiation of Health Care Service as defined in TCA Sec 68-11-1607(4) (Specify) <i>Acute IP Rehabilitation</i>	x		
E. Discontinuance of OB Service			
F. Acquisition of Equipment			

9. *Bed Complement Data*

(Please indicate current and proposed distribution and certification of facility beds.)

	Current Licensed Beds	CON approved beds (not in service)	Staffed Beds	Beds Proposed (Change)	TOTAL Beds at Completion
A. Medical	110		110	+8	118
B. Surgical					
C. Long Term Care Hosp.					
D. Obsetrical	24		20		24
E. ICU/CCU	24		18		24
F. Neonatal	10		10		10
G. Pediatric					
H. Adult Psychiatric	20		20	-20	0
I. Geriatric Psychiatric					
J. Child/Adolesc. Psych.					
K. Rehabilitation	0			+12	12
L. Nursing Facility (non-Medicaid certified)					
M. Nursing Facility Lev. 1 (Medicaid only)					
N. Nursing Facility Lev. 2 (Medicare only)					
O Nursing Facility Lev. 2 (dually certified for Medicare & Medicaid)					
P. ICF/MR					
Q. Adult Chemical Dependency					
R. Child/Adolescent Chemical Dependency					
S. Swing Beds					
T. Mental Health Residential Treatment					
U. Residential Hospice					
TOTAL	188	0	178	0	188

10. Medicare Provider Number:	440150
Certification Type:	general hospital
11. Medicaid Provider Number:	44-0205
Certification Type:	general hospital

12. & 13. See page 4

A.12. IF THIS IS A NEW FACILITY, WILL CERTIFICATION BE SOUGHT FOR MEDICARE AND/OR MEDICAID?

This is an existing facility already certified for both programs. In CY2012, Summit Medical Center had an overall payor mix of 44.4% Medicare and 10.7% TennCare.

A.13. IDENTIFY ALL TENNCARE MANAGED CARE ORGANIZATIONS / BEHAVIORAL HEALTH ORGANIZATIONS (MCO'S/BHO'S) OPERATING IN THE PROPOSED SERVICE AREA. WILL THIS PROJECT INVOLVE THE TREATMENT OF TENNCARE PARTICIPANTS? Yes IF THE RESPONSE TO THIS ITEM IS YES, PLEASE IDENTIFY ALL MCO'S WITH WHICH THE APPLICANT HAS CONTRACTED OR PLANS TO CONTRACT.

DISCUSS ANY OUT-OF-NETWORK RELATIONSHIPS IN PLACE WITH MCO'S/BHO'S IN THE AREA.

Summit Medical Center is fully contracted with all available TennCare MCO's in the Middle Tennessee Region. They are as follows:

Table One: Contractual Relationships with Service Area MCO's	
Available TennCare MCO's	Applicant's Relationship
AmeriGroup	contracted
United Community Healthcare Plan (formerly AmeriChoice)	contracted
Select	contracted

SECTION B: PROJECT DESCRIPTION

B.I. PROVIDE A BRIEF EXECUTIVE SUMMARY OF THE PROJECT NOT TO EXCEED TWO PAGES. TOPICS TO BE INCLUDED IN THE EXECUTIVE SUMMARY ARE A BRIEF DESCRIPTION OF PROPOSED SERVICES AND EQUIPMENT, OWNERSHIP STRUCTURE, SERVICE AREA, NEED, EXISTING RESOURCES, PROJECT COST, FUNDING, FINANCIAL FEASIBILITY AND STAFFING.

Proposed Services and Equipment

- TriStar Summit Medical Center is a highly utilized 188-bed community hospital located beside I-40 in Hermitage, Tennessee, in far eastern Davidson County. It is the only general hospital between downtown Nashville and Lebanon (in Wilson County).
- The project converts 20 adult psychiatric beds on the hospital's third floor into an 8-bed orthopedic surgical unit, and a new acute rehabilitation unit of 12 beds. This conversion will not increase the hospital's licensed bed complement. When Summit's project opens, TriStar Skyline Medical Center will delicense 10 rehabilitation beds at its Madison campus (in northern Davidson County), and will take Summit's psychiatric patients into its much larger adult psychiatric program at that campus. This will reduce the county's total licensed hospital beds by 10.

Ownership Structure

- Summit Medical Center is an HCA TriStar facility owned by HCA Health Services of Tennessee, Inc., whose ultimate parent company is HCA, Inc. Attachment A.4 contains details, an organization chart, and information on Tennessee facilities owned by HCA.

Service Area

- The project's primary service area will reflect the hospital's primary service area. That area consists of Davidson and Wilson Counties. Approximately 82% of Summit's admissions come from those counties, with no other county contributing as much as 3%.

Need--Rehabilitation Unit

- Summit's discharges to other hospital's rehabilitation units are high, due not only to local population growth, but also to the hospital's recent Emergency Department expansion and its designation as one of Tennessee's 18 Certified Primary Stroke Centers. Having in-house acute rehabilitation is a state-of-the-art commitment to a full continuum of stroke treatment. Stroke intervention and care are high priorities for the State's physician community (see Attachments from the Tennessee Medicine Journal).
- The utilization of available rehabilitation beds in Davidson County is at efficient levels. The county's four operational acute rehabilitation programs provided 41,292 days of care in 2011 (complete 2012 data is not available at the time of filing this application). That was 72.1% occupancy on the 157 rehabilitation beds that were open in 2011. Some additional older rehabilitation beds exist in Davidson County, but they have been unstaffed for several years and are unlikely to open in the future.

- The project supports past CON approvals and market trends to move rehabilitation resources closer to patients' homes. Rehabilitation utilization in Davidson County has been shifting to suburban locations. Between 2008 and 2011, the total rehabilitation days provided in the downtown area decreased 15%, while the rehabilitation days provided in the Davidson County suburbs increased 56%.
- The project corrects a disparity of resources in the Nashville urban area. Acute rehabilitation beds have been approved for northern and southern Davidson County hospitals, along with hospitals in the urbanizing areas west and south of Davidson County--but they have not yet been approved in eastern Davidson County. TriStar Summit Medical Center in Hermitage is the logical hospital to provide acute rehabilitation within the eastern sector of the urban area, because it is the only hospital in eastern Davidson County. The closest alternative is 21 miles farther east in the center of adjoining Wilson County.
- At only 12 beds, the project will be filled with patients who meet the requirement of being able to undergo 3 hours of rehabilitation therapies per day. The project will not significantly impact the lower-intensity nursing home rehabilitation programs in the area. They will continue to receive rehabilitation referrals from Summit. Summit's plan is to strengthen collaboration with area nursing homes, as attested by letters of support for this application. With such collaboration, the project will provide greater efficiency and quality of care for patients than currently exist.

Need--Orthopedic Unit

- The hospital is seeking Joint Commission accreditation as a Total Joint Center of Excellence. A dedicated orthopedic nursing unit will enhance specialized nursing care and improve outcome management.
- Conversion of underutilized beds is the fastest way to achieve much-needed surgical bed capacity. In CY2012, Summit's surgical beds averaged 78% occupancy on weekdays. On almost half those weekdays, occupancy exceeded 80%, often reaching 100%. Medical-surgical bed occupancy in 2012 exceeded 83%. In contrast, the psychiatric unit being converted had only 59% occupancy in CY2012.

Existing Resources

- There are seven hospitals in the primary service area with licensed rehabilitation beds. But only five of those programs are open for patient care. As of February 2013, those five programs offered 161 rehabilitation beds (an increase of 4 beds from the prior year). The two non-operational programs now have 41 licensed, but unusable or unstaffed, rehabilitation beds.

Project Cost, Funding, Financial Feasibility, and Staffing

- The estimated cost of the project is \$4,933,576, which will be provided through a cash transfer from Summit's parent company, HCA. Summit's utilization ensures that both units will operate at high occupancy and will operate with a positive financial margin. The rehabilitation unit will adopt approximately the same charge structure as the program at TriStar Southern Hills Medical Center, its sister facility in south Davidson County. Together, the two units will require approximately 35 new FTE's.

B.II. PROVIDE A DETAILED NARRATIVE OF THE PROJECT BY ADDRESSING THE FOLLOWING ITEMS AS THEY RELATE TO THE PROPOSAL.

B.II.A. DESCRIBE THE CONSTRUCTION, MODIFICATION AND/OR RENOVATION OF THE FACILITY (EXCLUSIVE OF MAJOR MEDICAL EQUIPMENT COVERED BY T.C.A. 68-11-1601 *et seq.*) INCLUDING SQUARE FOOTAGE, MAJOR AREAS, ROOM CONFIGURATION, ETC.

Physical Description

The project has two components--a new 8-bed acute rehabilitation unit; and a new 12-bed orthopedic care surgical unit. They will be created by renovating and converting third-floor space that is currently an underutilized 20-bed adult psychiatric unit. When the TriStar Summit Medical Center's 12-bed rehabilitation unit opens, TriStar Skyline Medical Center in northern Davidson County will de-license its 10 rehabilitation beds at its Madison Campus. As a result:

- Summit Medical Center's total 188-bed hospital bed license will not change.
- Davidson County's total acute care hospital bed complements will be reduced by 10 beds (the 10 de-licensed by TriStar Skyline).
- Davidson County's net increase in rehabilitation beds will be only 2 beds, or 1% of the total 202 beds currently approved for that county.

After CON approval of the project, Summit's remaining psychiatric patients will be transferred to the larger 100-bed adult psychiatric program at TriStar Skyline Medical Center Madison, which has ample bed capacity to serve those additional patients.

Rehabilitation Unit

The proposed T-shaped acute rehabilitation unit will occupy three adjacent wings on the third floor of Summit's bed tower. In two wings, the unit will have 12 private patient rooms (6 on each wing) with handicapped-accessible/ADA-compliant private bathrooms; an ADL (Activities of Daily Living) suite with a kitchen, bedroom, and bath; a Day/Dining Room with an outside patio (on the roof of the floor below); a Physical Therapy exercise room; a central nursing station; and other patient and staff support spaces. The adjoining third wing in the "T" design will have a speech therapy room, a

physician office with an exam room, a conference room and library, a patient salon, and the staff offices and lounge.

Orthopedic Unit

The fourth wing on the third floor will contain 8 private rooms for orthopedic surgery patients, each with a handicapped-accessible/ADA-compliant private bathroom, a nursing station, and an activity room.

Table Two: Summary of Construction	
	Total Square Feet
Area of New Construction	0
Area of Renovation (Both Units)	22,218 SF
Total Area of Construction	22,218 SF

Source: Corporate planning department.

Operational Schedule

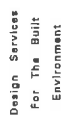
These are both inpatient acute care units that will provide medical care and supervision 24 hours daily, throughout the year. The applicant intends to open them on or before January 1, 2014. CY2014 will be their first full year of operation.

Cost and Funding

The project cost is estimated at approximately \$5,000,000 (\$4,933,576). This will be entirely funded by HCA, Inc., TriStar Summit Medical Center's ultimate parent company, through a cash transfer to TriStar Health System, HCA's regional office.

Medical Direction and Supervision for the Rehabilitation Program

To provide medical direction for the rehabilitation program, Summit intends to recruit a Board-certified physical medicine and rehabilitation specialist ("physiatrist"). Physiatrists provide medical direction for both of HCA's other rehabilitation programs in Davidson County (TriStar Skyline Medical Center and TriStar Southern Hills Medical Center).



Design Services
For The Built
Environment

Atlanta

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Dallas
Lauderdale

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Lexington

example
analysis

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Richmond
Millville

Tempo

GRESHAM
SMITH AND
PARTNERS

CONTRACT DOCUMENTS

**Summit Medical
Center**
Hermitage, TN

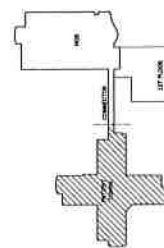
Third Floor Rehabilitation & Total Joint Unit Renovations

[illegible]

FILE: BDCWL
PROJECT: 20103.00
DATE: 05/28/12

REHAB UNIT

ORTHO UNIT



KEY PLAN

THIRD FLOOR PLAN

APPLICANTS WITH HOSPITAL PROJECTS (CONSTRUCTION COST IN EXCESS OF \$5 MILLION) AND OTHER FACILITY PROJECTS (CONSTRUCTION COST IN EXCESS OF \$2 MILLION) SHOULD COMPLETE THE SQUARE FOOTAGE AND COSTS PER SQUARE FOOTAGE CHART...

Please see Attachment B.II.A. for this chart.

PLEASE ALSO DISCUSS AND JUSTIFY THE COST PER SQUARE FOOT FOR THIS PROJECT.

The estimated \$3,293,660 renovation construction cost for the project is approximately \$149 PSF:

Table Three: Construction Cost PSF		
Construction Cost	SF of Renovation	Construction Cost PSF
\$3,293,660	22,118	\$148.91

The 2009-2011 hospital construction projects approved by the HSDA had the following costs per SF. This project's \$149 PSF construction cost is very consistent with those ranges, being below the median for hospital renovation projects.

**Hospital Construction Cost Per Square Foot
Applications Approved by the HSDA
Years: 2009 – 2011**

	Renovated Construction	New Construction	Total Construction
1st Quartile	\$125.84/sq ft	\$235.86/sq ft	\$167.99/sq ft
Median	\$177.60/sq ft	\$274.63/sq ft	\$249.32/sq ft
3rd Quartile	\$273.69/sq ft	\$324.00/sq ft	\$301.74/sq ft

Source: Health Services and Development Agency, 2012

IF THE PROJECT INVOLVES NONE OF THE ABOVE, DESCRIBE THE DEVELOPMENT OF THE PROPOSAL.

Not applicable.

B.II.B. IDENTIFY THE NUMBER AND TYPE OF BEDS INCREASED, DECREASED, CONVERTED, RELOCATED, DESIGNATED, AND/OR REDISTRIBUTED BY THIS APPLICATION. DESCRIBE THE REASONS FOR CHANGE IN BED ALLOCATIONS AND DESCRIBE THE IMPACT THE BED CHANGE WILL HAVE ON EXISTING SERVICES.

Table Four: Proposed Changes in Assignment of Licensed Hospital Beds at Summit Medical Center		
Bed Assignment	Current Assignment	Proposed Assignment (Change)
General Medical-Surgical	110	118 (+8)
Critical Care	24	24
NICU	10	10
Obstetrics	24	24
Psychiatric	20	0 (-20)
Rehabilitation	0	12 (+12)
Total Licensed Complement	188	188

Note: Simultaneous with the 12-bed increase at this facility, an affiliated HCA hospital in the same county will reduce its total licensed complement by 10 rehabilitation beds.

The historic and projected utilization and occupancies for all categories of beds are projected in Attachment Four, Section C(II)4 of the application.

The reason for reallocating 12 psychiatric beds to a new rehabilitation unit is that residents of Summit's service area--eastern Davidson County and western Wilson County--need better access to acute inpatient rehabilitation care. Summit discharges a large number of patients who need rehabilitation. Almost all of this unit (10 of its 12 beds) will be a relocation of rehabilitation beds already licensed to Summit's parent organization in the same county—moving from a location where they are not being used, to a location where they are needed. The reason for reallocating 8 psychiatric beds to a new orthopedic unit is to provide needed surgical bed capacity. The surgical beds at Summit (all on its 5th floor) are very highly occupied, as are all the medical-surgical beds. More capacity is needed. See the discussions in Sections B.II.C. and C(II)4 below.

The project will require discontinuing Summit's adult psychiatric program, a 20-bed unit with only 59% occupancy in CY2012. However, Summit's sister hospital in north Davidson County, TriStar Skyline Medical Center, will integrate those patients into its much larger program, so that accessibility to care, and quality of care, will not be adversely affected. Skyline's beds are not yet optimally utilized and this addition of census will increase the efficiency of its utilization.

B.II.C. AS THE APPLICANT, DESCRIBE YOUR NEED TO PROVIDE THE FOLLOWING HEALTH CARE SERVICES (IF APPLICABLE TO THIS APPLICATION):

- 1. ADULT PSYCHIATRIC SERVICES**
- 2. ALCOHOL AND DRUG TREATMENT ADOLESCENTS >28 DAYS**
- 3. BIRTHING CENTER**
- 4. BURN UNITS**
- 5. CARDIAC CATHETERIZATION SERVICES**
- 6. CHILD AND ADOLESCENT PSYCHIATRIC SERVICES**
- 7. EXTRACORPOREAL LITHOTRIPSY**
- 8. HOME HEALTH SERVICES**
- 9. HOSPICE SERVICES**
- 10. RESIDENTIAL HOSPICE**
- 11. ICF/MR SERVICES**
- 12. LONG TERM CARE SERVICES**
- 13. MAGNETIC RESONANCE IMAGING (MRI)**
- 14. MENTAL HEALTH RESIDENTIAL TREATMENT**
- 15. NEONATAL INTENSIVE CARE UNIT**
- 16. NON-RESIDENTIAL METHADONE TREATMENT CENTERS**
- 17. OPEN HEART SURGERY**
- 18. POSITIVE EMISSION TOMOGRAPHY**
- 19. RADIATION THERAPY/LINEAR ACCELERATOR**
- 20. REHABILITATION SERVICES**
- 21. SWING BEDS**

1. Need for the Rehabilitation Program

Summit Medical Center has proposed this in-house acute rehabilitation service for several reasons. First, it is good for patients at this facility. Patients who have undergone amputation, stroke, burns, major traumas, bilateral (two at a time) joint replacements, shoulder and back surgery, or other events, or who are treated for serious arthritic or neurological issues, and many other conditions, all benefit from having access to acute inpatient rehabilitation immediately upon discharge from their initial hospital stay. It is efficient to be able to receive this kind of care on the same campus that they chose for their initial hospitalization. Getting all needed care at the facility of their choice is important to hospital patients.

Second, it is especially appropriate on this community hospital campus, at this time. In CY2011, Summit opened a major Emergency Department expansion and became one of Tennessee's 18 Joint Commission-designated Primary Stroke Centers. This distinction requires rigorous adherence to performance measurement criteria,

clinical practice guidelines, (AHA; American Stroke Association) and quality assurance standards. It requires daily, 24-hour availability of neurologists and neurosurgeons and a specialized inpatient stroke unit. As a Primary Stroke Center, Summit also conducts outreach efforts with other hospitals in the region to improve stroke intervention care.

The goal of the Primary Stroke Center program is to improve patient outcomes for victims of stroke. An acute inpatient rehabilitation program, following the acute stroke unit phase, is an important component in the continuum of care needed by most stroke patients. Having that under central clinical management assures more efficient and effective patient care planning from the time of symptom onset, to the time of discharge to the home. It is the best way for caregivers to have confidential, comprehensive, and accurate patient information, and to act on it appropriately, without having to coordinate care with other providers. Having a rehabilitation unit on site allows for easier continuity of care and consultation, for the physicians (e.g., neurologists) who manage the acute care phase.

Third, The new service will be well utilized at Summit. As mentioned above, during CY2011 Summit opened a major Emergency Department expansion, and became a Certified Stroke Center. As shown in Table Five below, Emergency Room visits increased almost 12% from CY 2011 to CY2012; and inpatient admissions coming through the Emergency Department increased almost 17%. As a result, Summit's medical-surgical beds in CY2012 exceeded 83% occupancy, and its discharges to inpatient acute rehabilitation programs at other facilities jumped almost 11%.

Table Five: Impact of Stroke Center and Expanded Emergency Room (ED) at Summit Medical Center CY2011 to CY2012			
	Visits to the ED	IP Admissions Through ED	Discharges to Acute Rehab Programs
2011	47,065	6,753	176
2012	52,670	7,894	195
Change	+11.9%	+16.9%	+10.8%

Source: Hospital management.

Fourth, distribution of this service to suburban locations such as Summit Medical Center is a trend favored by patients and their families. Patients in Nashville have shown

a desire to utilize acute rehabilitation not just in tertiary downtown hospitals, but also in suburban hospitals closer to where they and their support groups live, and where they often receive hospital care. Table Six below illustrates that there has been a significant shift of rehabilitation admissions recently, from downtown centers to suburban locations. From 2008 to 2011, downtown rehabilitation admissions shrank by 15% while suburban rehabilitation admissions increased 56%. The suburban market share increased from 20% in 2008 to 32% in 2011, while the central Davidson County share decreased from 80% to 68% in that period. And during this, the total days of rehabilitation provided in Davidson County has remained stable. This has been an orderly redistribution of resources.

Table Six: Movement of Rehabilitation Patient Days in Davidson County CY2008-CY2011			
Location	CY 2008	CY 2011	Change '08-'11
Central County	33,199 (80%)	28,221 (68%)	-15%
Suburban County Areas	8,329 (20%)	13,071 (32%)	+56%
Totals	41,528	41,292	

Source: Joint Annual Reports, 2008-2011. Central providers were Vanderbilt Stallworth, Baptist, and Nashville Rehabilitation Hospital (closed). Suburban providers were Skyline and Southern Hills Medical Centers. See Table Eleven for detailed data.

Fifth, there is a need to correct a disparity of resources within greater Nashville. Summit's populous service area in far eastern Davidson County and nearby Wilson County is the only suburban area with a local hospital that does not offer inpatient acute rehabilitation care. Certificates of Need for this service have been granted to the suburban hospitals north, south, and west (Dickson) of Nashville. The eastern side of this large county needs a comparable service option.

Sixth, this project will not have major adverse impacts on other providers of rehabilitation care in either Davidson or Wilson Counties.

With respect to hospitals, the beds actually available in Davidson County in CY2011 operated at approximately 72% utilization--which is financially sound, and is consistent with the 75% occupancy that the Guidelines for Growth recommend for programs up to 30 beds.

With respect to impact on nursing homes, this project should not significantly affect those currently receiving referrals from Summit Medical Center. Nursing homes typically provide less intense rehabilitation than hospitals offer, due to lower reimbursement in the nursing home setting. Summit's discharged patients not requiring hospital-level intensity of rehabilitation (3 hours or more per day) will continue to be referred to nursing home programs. With only 12 beds, the unit intends to serve patients who require more intensive rehabilitation than nursing homes would provide. If they are denied access to this care at Summit, such patients will seek admission to a hospital program elsewhere, not to a nursing home program.

Summit has been working, and will continue to work, with area nursing homes to ensure that patients are discharged to the level of care that is most clinically appropriate and cost-effective for their needs. Because of this cooperation, this application has now received several significant letters of support from area nursing home providers.

2. Need to Reassign Beds to an Orthopedic Unit

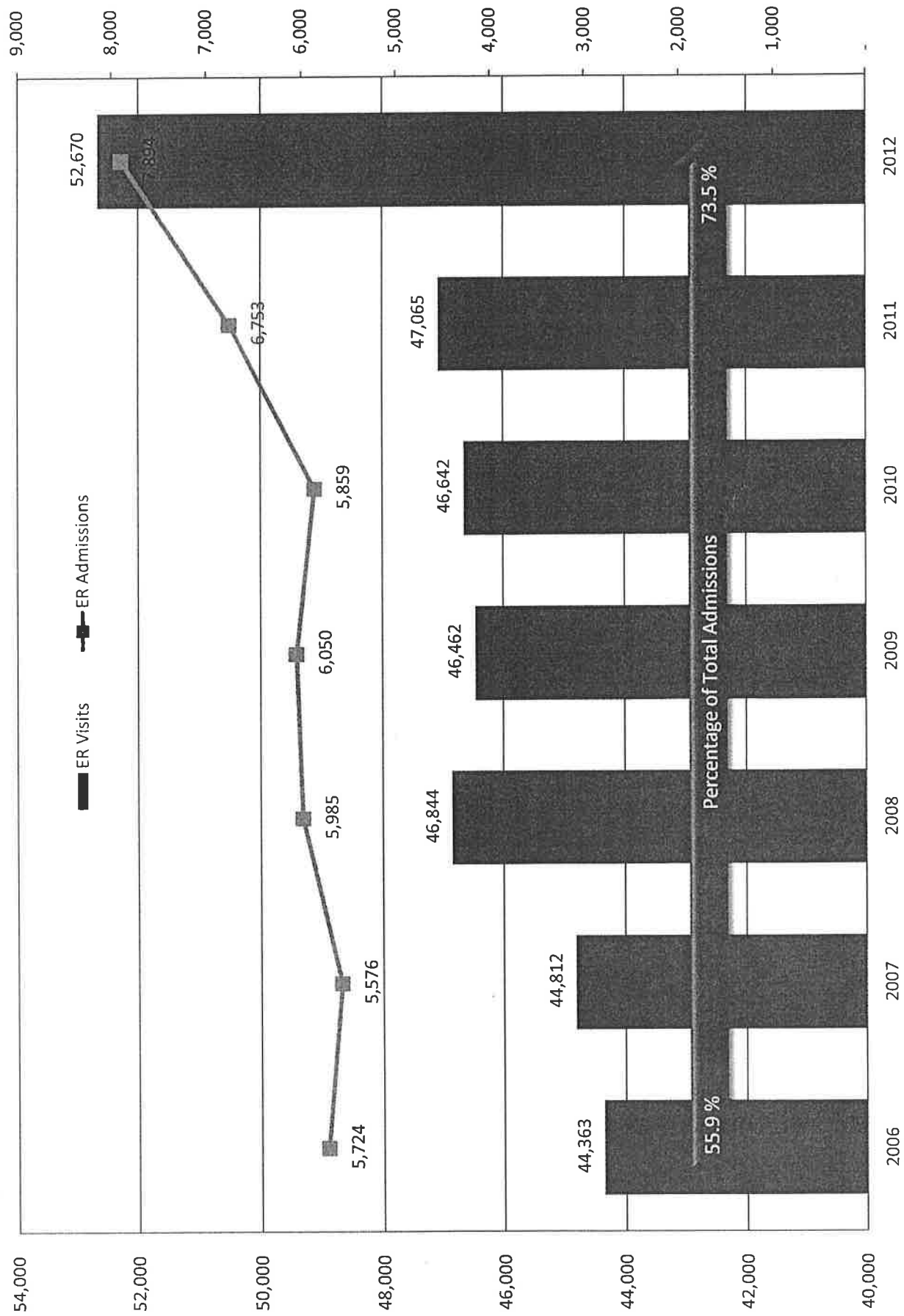
TriStar Summit Medical Center's occupancies on its licensed surgical beds, and total medical-surgical beds, is very high and rising. The fifth floor surgical unit, which is multidisciplinary, was at 78% occupancy on weekdays in CY2012, which are the peak days for elective surgeries such as total joint replacements. On 23% of those days, the surgical beds had higher than 90% occupancy, calculated by the standard method using midnight census. Mid-day census in the surgical unit is even higher, due to pending discharges that have not yet occurred that day. Note that there were many days when more than 100% of capacity was exceeded--which means that there were patients admitted to the surgical unit, who had to be held in Critical Care beds, the Recovery Room, or in ED stations that day, waiting for a surgical bed to become available.

Nor is it possible to expand the surgical beds at the expense of medical beds. The medical-surgical beds as a group exceeded 90% and even 100% on many weekday peaks.

By moving the orthopedic patients into a specialized unit on the third floor, Summit can relieve occupancy pressures on the nursing staff on the fifth floor, and can provide 4.5 to 5 orthopedic patients a day with care that is focused exclusively on their special needs. This should improve care for all the surgical patients on those floors.

The unit is also important as Summit moves toward Joint Commission certification as a Total Joint Center of Excellence. It has had an active Total Joint Committee working toward that end for several years, focusing on Performance Improvement, Quality Improvement, Physician Collaboration, Community Education, and Patient Satisfaction processes. The certification will be requested in the Fall of CY2013. The specialized orthopedic unit is an important part of establishing the levels of excellence required for joint replacement programs. It also fits well into the new Rehabilitation program on the same floor.

ER Visits and ER Admissions Trend: 2006-2012



B.II.D. DESCRIBE THE NEED TO CHANGE LOCATION OR REPLACE AN EXISTING FACILITY.

Not applicable. The project does neither of those things.

B.II.E. DESCRIBE THE ACQUISITION OF ANY ITEM OF MAJOR MEDICAL EQUIPMENT (AS DEFINED BY THE AGENCY RULES AND THE STATUTE) WHICH EXCEEDS A COST OF \$1.5 MILLION; AND/OR IS A MAGNETIC RESONANCE IMAGING SCANNER (MRI), POSITRON EMISSION TOMOGRAPHY (PET) SCANNER, EXTRACORPOREAL LITHOTRIPTER AND/OR LINEAR ACCELERATOR BY RESPONDING TO THE FOLLOWING:

1. For fixed site major medical equipment (not replacing existing equipment):
 - a. Describe the new equipment, including:
 1. Total Cost (As defined by Agency Rule);
 2. Expected Useful Life;
 3. List of clinical applications to be provided; and
 4. Documentation of FDA approval.
 - b. Provide current and proposed schedule of operations.
2. For mobile major medical equipment:
 - a. List all sites that will be served;
 - b. Provide current and/or proposed schedule of operations;
 - c. Provide the lease or contract cost;
 - d. Provide the fair market value of the equipment; and
 - e. List the owner for the equipment.
3. Indicate applicant's legal interest in equipment (e.g., purchase, lease, etc.)
In the case of equipment purchase, include a quote and/or proposal from an equipment vendor, or in the case of an equipment lease provide a draft lease or contract that at least includes the term of the lease and the anticipated lease payments.

Not applicable. There is no major medical equipment proposed in this project.

B.III.A. ATTACH A COPY OF THE PLOT PLAN OF THE SITE ON AN 8-1/2" X 11" SHEET OF WHITE PAPER WHICH MUST INCLUDE:

1. SIZE OF SITE (IN ACRES);
2. LOCATION OF STRUCTURE ON THE SITE;
3. LOCATION OF THE PROPOSED CONSTRUCTION; AND
4. NAMES OF STREETS, ROADS OR HIGHWAYS THAT CROSS OR BORDER THE SITE.

PLEASE NOTE THAT THE DRAWINGS DO NOT NEED TO BE DRAWN TO SCALE. PLOT PLANS ARE REQUIRED FOR ALL PROJECTS.

See Attachment B.III.A.

B.III.B.1. DESCRIBE THE RELATIONSHIP OF THE SITE TO PUBLIC TRANSPORTATION ROUTES, IF ANY, AND TO ANY HIGHWAY OR MAJOR ROAD DEVELOPMENTS IN THE AREA. DESCRIBE THE ACCESSIBILITY OF THE PROPOSED SITE TO PATIENTS/CLIENTS.

Summit Medical Center is located in Hermitage, on the far eastern edge of Davidson County near the Wilson County line. The hospital is on the west side of Old Hickory Boulevard / Highway 45, approximately one mile north of Exit 221 from I-40, and is visible from that exit. Summit serves patients primarily from eastern Davidson County and western Wilson County. Interstate I-40 and U.S. Highway 70, which run east and west between Nashville and Lebanon, are the service area's principal east-west roadways; Old Hickory Boulevard is one of the service area's major roadways running north-south by the Summit campus.

Summit is very accessible to western Wilson County, as well as to eastern Davidson County between Old Hickory Lake (the Cumberland River) and the areas west, north, and east of Percy Priest Lake. The rapidly growing Mt. Juliet community is the fastest growing sector of western Wilson County; and Mt. Juliet is much closer to Summit Medical Center (6.9 miles; 15 minutes) than it is to McFarland Hospital, which has Wilson County's only acute rehabilitation unit (17.3 miles; 22 minutes).

Table Seven: Mileage and Drive Times Between Summit Medical Center and Acute Rehabilitation Providers and Communities In the Primary Service Area			
Acute IP Rehabilitation Provider	County	Distance (Mileage)	Drive Time (Minutes)
1. Baptist Hospital, Nashville	Davidson (Central)	13.1 mi.	18 min.
2. Stallworth Rehabilitation Hospital, Nashville	Davidson (Central)	14.9 mi.	19 min.
3. Nashville Rehabilitation Hospital (closed; license in abeyance)	Davidson (Central)	13.6 mi.	17 min.
4. Southern Hills Medical Center, Nashville	Davidson (South)	13.7 mi.	17 min.
5. Skyline Medical Center, Nashville	Davidson (North)	16.7 mi.	20 min.
6. City of Mt. Juliet	Wilson	6.9 mi.	15 min.
7. McFarland Hospital, Lebanon, Wilson County	Wilson	21.5 mi.	27 min.

Source: Google Maps, March 2013.

B.IV. ATTACH A FLOOR PLAN DRAWING FOR THE FACILITY WHICH INCLUDES PATIENT CARE ROOMS (NOTING PRIVATE OR SEMI-PRIVATE), ANCILLARY AREAS, EQUIPMENT AREAS, ETC.

See attachment B.IV.

IV. FOR A HOME CARE ORGANIZATION, IDENTIFY

- 1. EXISTING SERVICE AREA (BY COUNTY);**
- 2. PROPOSED SERVICE AREA (BY COUNTY);**
- 3. A PARENT OR PRIMARY SERVICE PROVIDER;**
- 4. EXISTING BRANCHES AND/OR SUB-UNITS; AND**
- 5. PROPOSED BRANCHES AND/OR SUBUNITS.**

Not applicable. The application is not for a home care organization.

C(I) NEED

C(I).1. DESCRIBE THE RELATIONSHIP OF THIS PROPOSAL TO THE IMPLEMENTATION OF THE STATE HEALTH PLAN AND TENNESSEE'S HEALTH: GUIDELINES FOR GROWTH.

A. PLEASE PROVIDE A RESPONSE TO EACH CRITERION AND STANDARD IN CON CATEGORIES THAT ARE APPLICABLE TO THE PROPOSED PROJECT. DO NOT PROVIDE RESPONSES TO GENERAL CRITERIA AND STANDARDS (PAGES 6-9) HERE.

B. APPLICATIONS THAT INCLUDE A CHANGE OF SITE FOR A HEALTH CARE INSTITUTION, PROVIDE A RESPONSE TO GENERAL CRITERION AND STANDARDS (4)(a-c).

Project-Specific Review Criteria: Comprehensive IP Rehabilitation Services

1. The need for comprehensive inpatient rehabilitation beds shall be determined by applying the guideline of ten beds per 100,000 population in the service area of the proposal.

2. The need shall be based upon the current year's population and projected four years forward.

Summit's primary service area counties are Davidson and Wilson Counties. Their combined CY2017 population will be 745,134 persons. At 10 beds per 100,000 persons, criteria #1 and #2 above identify a need for 74.5 beds for that population--more specifically, 62.2 in Davidson County and 12.3 in Wilson County.

However, it would not be rational to apply those criteria to this particular service area. Rehabilitation beds located in tertiary acute care referral areas such as Davidson County are regional, multi-county resources. The THA database indicates that in CY2011, only 47.5% of rehabilitation patients in Davidson and Wilson County programs were residents of Davidson and Wilson Counties. More than half of the beds used in those two counties were occupied by residents of other counties. Consider that in CY2011, the rehabilitation programs in these counties provided 44,086 actual days of rehabilitation care. At a very high standard of 80% occupancy (very full for mostly small units in peak periods) those days required 151 rehabilitation beds--twice what the guideline would project. ($44,086 \text{ actual rehabilitation days} / 365 / 80\% = 151$). And this

was two years before the Summit unit proposes to open. With an increasing population, there should be an even higher bed need in the future.

At present, there are 202 approved rehabilitation beds in both Davidson and Wilson counties. Of these, 41 are older beds that are not open and are not likely to re-open for this type of care. Only 161 beds are actually available. All approved beds have been implemented (but 41 have also closed in the past few years).

If all 202 rehabilitation beds are considered, this project will add only 2 beds—less than one per cent—to the service area total. The other 10 beds in this project are not additional beds: they are only relocated beds, within the same county.

3. Applicants shall use a geographic service area appropriate to inpatient rehabilitation services.

Approximately 82% of Summit's admissions come from Davidson and Wilson counties; and the majority of Summit's rehabilitation unit admissions will come from Summit discharges. So these counties are an appropriate primary service area.

4. Inpatient rehabilitation units in acute care hospitals shall have a minimum size of 8 beds.

The project complies, having 12 beds.

5. Freestanding rehabilitation hospitals shall have a minimum size of 50 beds.

Not applicable.

6. Additional inpatient rehabilitation beds, units, or freestanding hospitals should not be approved by the HFC unless all existing units or facilities are utilized at the following levels:

20-30 bed unit	75%
31-50 bed unit/facility	80%
51+-bed unit/facility	85%

This is a de minimus, insignificant addition of rehabilitation beds (2 beds or 1% of service area total rehabilitation beds); 10 of the proposed beds are merely being relocated from an affiliated hospital within Davidson County.

The term "existing units or facilities" should be applied to include only those that are operational or likely to be operational in the foreseeable future.

There are seven total acute rehabilitation units licensed for this service; but two are older units that have been closed for some time. In the applicant's opinion, neither is likely to re-open. This leaves five providers, whose reported 2011 occupancies are shown in Table Eight-A below. Below that, Table Eight-B shows 2012 occupancies for those who have filed Joint Annual Reports, or which are HCA hospitals whose 2012 data are available to the applicant.

Table Eight-A: CY2011 Occupancies of Service Area Rehabilitation Providers	
Provider / December 2011 Beds	CY2011 Occupancy
Baptist Hospital / 24 beds	69.0%
VU Stallworth Rehab'n Hospital / 80 beds	76.0%
Skyline Medical Center / 41 beds	75.5%
Southern Hills Medical Center / 12 beds	69.2%
McFarland Hospital / 26 beds (Wilson Co.)	29.4%

Source: Joint Annual Report data from Table Eleven, Section C.(I).5 of this application.

Note: Southern Hills had rehabilitation beds available for only June-December and the occupancy above is based on 214 calendar days.

Table Eight-B: CY2012 Provisional Occupancies of Service Area Rehabilitation Providers (Not All Have Yet Reported)	
Provider / December 2012 Beds	CY2012 Occupancy
Baptist Hospital / 24 beds	78.3%
VU Stallworth Rehab'n Hospital / 80 beds	not yet reported
Skyline Medical Center / 41 beds	71.9%
Southern Hills Medical Center / 12 beds	69.5%
McFarland Hospital / 26 beds (Wilson Co.)	not yet reported

Source: Joint Annual Report data from Table Twelve, Section C.(I).5 of this application.

Note: Southern Hills had 12 beds during 2012 and opened 4 more in February 2013.

Although service area providers are not yet at the target occupancies of the criterion, nonetheless those located in Davidson County are efficiently utilized--at 72% overall, according to the most recent 2011 Joint Annual Reports. See Table Thirteen in this application, section C.(I).5 below.

HealthSouth's recently approved application to build a Vanderbilt-led rehabilitation hospital in Williamson County stated that Stallworth in central Davidson

County can not achieve much higher occupancy than its current level, because of its semiprivate rooms, which require gender separation that often prevents a second admission to a semi-private room. Stallworth has recently declined a number of Summit's requests for admissions to a rehabilitation bed.

Southern Hills' unit has grown in utilization so rapidly that the HSDA recently approved it to add four more rehabilitation beds (by conversion) regardless of the rehabilitation bed need criteria in the Guidelines.

Skyline's rehabilitation program has also grown rapidly, and will continue to grow, because of their neurosciences programs (stroke; neurosurgery; spinal surgery).

Only the UMC McFarland facility in Lebanon, almost a half-hour drive from Summit, has persistently low occupancy on its rehabilitation beds. Once a general hospital, and now a psychiatric and rehabilitation facility, McFarland many years ago was approved to designate a much larger rehabilitation unit (26 beds) than it has ever been able to utilize. Its low utilization is not a good reason to deny a needed service in Davidson County that serves a largely different patient population. Summit serves Davidson and western Wilson County residents who are used to obtaining hospital care in Davidson County, rather than in a rural area. For these patients, driving away from Nashville to rural Lebanon is not a reasonable option. Davidson County is not even in McFarland's primary service area because in 2011 only 3% of McFarland's total admissions (both psychiatric and rehabilitation) came from Davidson County. See McFarland's 2011 Joint Annual Report.

7. The applicant must document the availability of adequate professional staff, as per licensing requirements, to deliver all designated services in the proposal. It is preferred that the medical director of a rehabilitation hospital be a board-certified physiatrist.

Complies. Staffing requirements and resources for the project are set forth in response C.15 below. The staffing conforms to licensure requirements. Summit will seek a board-certified physiatrist as medical director of the rehabilitation unit. Physiatrists direct the rehabilitation programs at Skyline and Southern Hills, its sister hospitals in Nashville.

Project-Specific Review Criteria--Acute Care Bed Services

Not applicable. This project does not add acute care beds to its service area. It decreases the area's acute care beds by 10 beds, or 1.1% of the 918-bed "surplus" projected by the Department of Health for the CY2013-CY2017 time period. However, some responses to the acute care bed guidelines are provided below to provide a better context for the project.

1. The following methodology should be used and the need for hospital beds should be projected four years into the future from the current year...(guidelines detail the steps of the bed need projection methodology; see pp. 15-16 of Guidelines for Growth.)

The Tennessee Department of Health's most recently issued bed need projection (for 2013-2017) is provided following this response. It indicates a surplus of 918 acute care hospital beds in the project's service area, Davidson and Wilson Counties. It indicates a total licensed bed complement of 3,930 beds in the project's service area.

2. New hospital beds can be approved in excess of the "need standard for a county" if the following criteria are met:

a) All existing hospitals in the projected service area have an occupancy level greater than or equal to 80% for the most recent joint annual report. Occupancy should be based on the number of licensed beds rather than on staffed beds.

b) All outstanding new acute care bed CON projects in the proposed service area are licensed.

c) The Health Facilities Agency may give special consideration to acute care bed proposals for specialty health service units in tertiary care regional referral hospitals.

Not applicable. The project does not seek to increase area beds; it seeks to decrease them:

Table Nine: Minimal Impact of Two Additional Beds On Service Area Hospital Bed Complements					
	Licensed Beds	Bed Surplus 2017	Proposed New Beds	% of Licensed Beds	% of Bed Surplus
Davidson Co.	3,685	822	-10	- .27 of 1%	-1.2%
Wilson Co.	245	96	none	0	0
Service Area	3,930	918	-10	- .25 of 1%	-1.1%

Source: TN Department of Health Hospital Bed Need Projection, 2013-2017

ACUTE-CARE BED NEED PROJECTIONS FOR 2013 AND 2017

COUNTY	2011		CURRENT		SERVICE AREA POPULATION			PROJECTED		PROJECTED		2011 ACTUAL BEDS		SHORTAGE/SURPLUS	
	INPATIENT	ADC	NEED		2011	2013	2017	ADC-2013	NEED 2013	ADC-2017	NEED 2017	LICENSED	STAFFED	LICENSED	STAFFED
Anderson	50,722	139	174		89,388	90,048	91,394	140	175	142	178	301	255	-123	-77
Beaufort	8,782	24	36		20,193	20,842	22,142	25	36	26	38	60	60	-22	-22
Benton	2,162	6	12		2,202	2,215	2,237	6	12	6	12	25	12	-13	0
Bledsoe	2,473	7	13		2,140	2,171	2,225	7	13	7	13	25	25	-12	-12
Blount	54,489	149	187		92,934	94,841	98,481	152	190	158	198	304	238	-106	-40
Bradley	39,262	108	135		79,566	80,894	83,513	109	137	113	141	351	207	-210	-66
Campbell	20,589	56	74		19,536	19,696	19,988	57	74	58	75	120	97	-45	-22
Cannon	7,467	21	31		4,638	4,724	4,891	21	32	22	32	60	50	-28	-18
Carroll	8,543	23	35		16,893	17,017	17,272	24	35	24	35	115	67	-80	-32
Carters	15,615	43	58		30,906	31,122	31,527	43	58	44	59	121	79	-62	-20
Chaatham	1,550	4	9		1,369	1,404	1,471	4	9	5	9	12	12	-3	-3
Chester															
Claiborne	8,504	23	35		14,433	14,618	14,957	24	35	24	36	85	39	-49	-3
Clay	4,671	13	21		5,138	5,174	5,251	13	21	13	22	36	34	-14	-12
Cocke	5,985	16	26		13,120	13,440	13,945	17	26	17	27	74	38	-47	-11
Coffee	32,764	90	112		59,632	60,804	63,097	92	114	95	119	214	154	-95	-35
Crockett															
Cumberland	25,428	70	89		44,368	45,142	46,463	71	91	73	93	185	133	-96	-40
Davidson	797,591	2,185	2,732		1,388,080	1,414,267	1,468,698	2,226	2,783	2,312	2,890	3,685	2,998	-795	-108
DeKalb	27,356	8	14		4,402	4,414	4,436	8	14	8	14	40	27	-26	-13
Dekalb	4,616	13	21		8,542	8,682	8,961	13	21	13	22	71	56	-49	-34
Dickson	20,126	55	72		33,648	34,345	35,717	56	74	58	76	157	122	-81	-46
Dyer	16,816	46	62		35,443	35,791	36,502	47	62	47	64	225	120	-161	-56
Fayette	1,141	3	7		3,184	3,269	3,427	3	7	3	8	46	10	-38	-2
Fentress	7,141	20	30		13,108	13,273	13,584	20	30	20	31	85	54	-54	-23
Franklin	23,423	64	83		34,411	34,874	35,782	65	84	67	86	152	110	-66	-24
Gibson	5,700	16	25		9,070	9,118	9,232	16	25	16	19	209	90	-184	-65
Giles	7,200	20	30		11,304	11,411	11,613	20	30	20	31	95	81	-64	-50
Granger															
Greene	27,048	74	94		46,963	47,432	48,340	75	95	76	97	240	170	-143	-73
Grundy															
Hamblen	42,559	117	146		76,224	77,297	79,367	118	148	121	152	302	226	-150	-74
Hamilton	386,592	1,059	1,324		657,397	666,979	686,138	1,075	1,343	1,106	1,382	1,596	1,236	-214	-146
Hancock	830	2	6		1,598	1,603	1,615	2	6	2	6	10	10	-4	-4
Hardeman	915	3	6		2,886	2,940	3,044	3	6	3	6	51	21	-45	-15
Hardin	7,167	20	30		14,966	15,104	15,363	20	30	20	31	58	49	-27	-18
Hawkins	5,144	14	23		12,665	12,855	13,217	14	23	15	24	50	46	-26	-22
Haywood	2,328	6	12		6,338	6,381	6,478	6	12	7	13	62	36	-49	-23
Henderson	3,034	8	15		6,910	7,006	7,195	8	15	9	15	45	45	-30	-30
Henry	16,661	46	61		27,507	27,754	28,211	46	62	47	63	142	101	-79	-38
Hickman	1,170	3	7		2,948	3,033	3,200	3	8	3	8	25	25	-17	-17
Houston	4,054	11	19		5,034	5,092	5,219	11	19	12	19	35	35	-16	-16
Humphreys	1,737	5	10		3,209	3,252	3,336	5	10	5	10	25	25	-15	-15
Jackson															
Jefferson	9,093	25	37		17,021	17,386	18,087	25	37	26	38	58	58	-20	-20
Johnson	43	0	1		204	206	210	0	1	0	1	2	2	-1	-1
Knox	450,085	1,233	1,541		770,195	781,766	804,214	1,252	1,565	1,288	1,609	2,167	1,758	-558	-149
Lake															
Lauderdale	3,128	9	15		4,616	4,700	4,862	9	16	9	16	25	25	-9	-9
Lawrence	10,589	29	42		19,274	19,530	20,046	29	42	30	43	99	80	-56	-37
Lewis															
Lincoln	7,837	22	32		17,244	17,459	17,873	22	33	22	33	59	59	-26	-26
Loudon	6,543	18	28		12,014	12,232	12,612	18	28	19	29	50	40	-21	-11
McMinn	16,886	46	62		34,325	34,885	35,959	47	63	49	65	190	111	-125	-46
McNairy	5,440	15	24		12,375	12,497	12,731	15	24	15	24	45	45	-21	-21

ACUTE-CARE BED NEED PROJECTIONS FOR 2013 AND 2017

COUNTY	2011		CURRENT NEED	SERVICE AREA POPULATION			PROJECTED		PROJECTED		2011 ACTUAL BEDS		SHORTAGE/SURPLUS	
	INPATIENT DAYS	ADC		2011	2013	2017	ADC-2013	NEED 2013	ADC-2017	NEED 2017	LICENSED	STAFFED	LICENSED	STAFFED
Macon	3,366	9	16	5,674	5,791	6,027	9	17	10	17	25	25	-8	-8
Madison	177,234	486	607	272,116	275,400	282,159	491	614	504	629	787	747	-158	-118
Marion	3,898	11	18	3,118	3,142	3,188	11	18	11	19	70	63	-51	-44
Marshall	884	2	6	2,245	2,292	2,389	2	6	3	6	25	12	-19	-6
Maury	46,215	127	158	103,836	105,818	109,813	129	161	134	167	255	206	-88	-39
Meigs														
Monroe	11,356	31	44	20,078	20,519	21,362	32	45	33	46	59	59	-13	-13
Montgomery	46,520	128	159	112,084	114,912	120,743	131	163	137	172	270	220	-98	-48
Moore														
Morgan														
Obion	10,179	28	40	21,510	21,611	21,821	28	40	28	41	173	85	-132	-44
Overton	17,266	47	63	21,350	21,593	22,059	48	64	49	65	114	82	-49	-17
Perry	6,677	18	28	5,480	5,528	5,626	18	28	19	29	53	39	-24	-10
Pickett														
Polk	0	0	0								25	25	-25	-25
Putnam	58,765	161	201	93,457	95,035	98,121	164	205	169	211	247	242	-36	-31
Rhea	4,058	11	19	8,347	8,474	8,720	11	19	12	20	25	25	-5	-5
Roane	7,404	20	31	14,542	14,671	14,918	20	31	21	31	105	36	-74	-5
Robertson	17,956	49	66	30,920	31,888	33,768	51	67	54	71	109	66	-38	5
Rutherford	82,917	227	284	207,877	214,741	228,278	235	293	249	312	387	387	-75	-75
Scott	1,589	4	9	4,006	4,079	4,219	4	9	5	10	25	14	-15	-4
Sequatchie														
Sevier	12,458	34	48	31,858	32,695	34,271	35	49	37	51	79	69	-28	-18
Shelby	952,572	2,610	3,262	1,431,067	1,449,312	1,487,483	2,643	3,304	2,713	3,391	4,081	3,117	-690	274
Smith	8,024	22	33	10,184	10,396	10,809	22	33	23	35	88	58	-53	-23
Stewart														
Sullivan	250,675	687	859	427,099	433,501	446,335	697	871	718	897	1,056	789	-159	108
Sumner	45,344	124	155	104,293	106,912	112,031	127	159	133	167	341	236	-174	-69
Tipton	5,041	14	22	13,358	13,707	14,403	14	23	15	24	100	44	-76	-20
Tousdale	2,255	6	12	2,754	2,804	2,916	6	12	7	13	25	21	-12	-8
Unicoi	4,601	13	21	6,392	6,408	6,436	13	21	13	21	48	10	-27	11
Union														
Van Buren														
Warren	13,658	37	52	23,286	23,674	24,452	38	52	39	54	125	50	-71	4
Washington	167,583	459	574	198,067	199,952	203,732	463	579	472	590	581	581	9	9
Wayne	2,100	6	11	4,996	5,051	5,153	6	12	6	12	80	32	-68	-20
Weakley	8,113	22	33	17,317	17,386	17,578	22	33	23	34	100	65	-86	-31
White	6,494	18	28	9,623	9,753	9,996	18	28	18	29	60	44	-31	-15
Williamson	33,032	91	113	95,194	98,713	105,881	94	117	101	126	185	185	-59	-59
Wilson	45,939	126	157	58,451	60,054	63,171	129	162	136	170	245	245	-75	-75

Source: Office of Health Statistics, Division of Policy, Planning and Assessment, Tennessee Department of Health.
 Data from 2011 Final JAR-Hospitals Schedules F and G. Underlying Tennessee population estimates and projections (2008 Series) from Division of Health Statistics. Projections and estimates for other states are from U.S. Census Bureau, Population Division release data 4/21/2005.

The Framework for Tennessee's Comprehensive State Health Plan

Five Principles for Achieving Better Health

The following Five Principles for Achieving Better Health serve as the basic framework for the State Health Plan. After each principle, the applicant states how this CON application supports the principle, if applicable.

1. Healthy Lives

The purpose of the State Health Plan is to improve the health of Tennesseans.

Every person's health is the result of the interaction of individual behaviors, society, the environment, economic factors, and our genetic endowment. The State Health Plan serves to facilitate the collaboration of organizations and their ideas to help address health at these many levels.

This project will enable Summit Medical Center to broaden its continuum of care by adding a rehabilitation program that is appropriate for the only designated Stroke Center and emergency care resource on the eastern side of the county. The project has stimulated joint discussions and coordinated planning between this hospital and several area nursing homes which provide rehabilitation at lower levels than in acute care hospitals.

2. Access to Care

Every citizen should have reasonable access to health care.

Many elements impact one's access to health care, including existing health status, employment, income, geography, and culture. The State Health Plan can provide standards for reasonable access, offer policy direction to improve access, and serve a coordinating role to expand health care access.

The application proposes that the HSDA continue to support the distribution of acute rehabilitation services to suburban communities surrounding Nashville, to improve public access time to acute rehabilitation care.

3. Economic Efficiencies

The state's health care resources should be developed to address the needs of Tennesseans while encouraging competitive markets, economic efficiencies and the continued development of the state's health care system. The State Health Plan should work to identify opportunities to improve the efficiency of the state's health care system and to encourage innovation and competition.

This project is consistent with past CON decisions to distribute acute rehabilitation programs to suburban sectors of the Nashville area, without increasing total licensed

hospital beds. The public's need for this has been demonstrated by the rapid growth in utilization of such units, and by the operational closure of inpatient rehabilitation beds in central Davidson County. This is an improvement in access for suburban patients, accomplished in an efficient manner by re-assignment of existing bed units.

The component of the project that requires discontinuation of this hospital's underutilized adult psychiatric service also encourages the efficient use of available resources. Summit's patients in that unit will be transferred to the much larger and more comprehensive adult program at Skyline Medical Center, increasing the utilization of the latter facility to levels of higher efficiency. At the same time, the bed conversions at Summit will result in better utilization of the 20 reassigned beds than is the case in the psychiatric program currently.

4. Quality of Care

Every citizen should have confidence that the quality of health care is continually monitored and standards are adhered to by health care providers. Health care providers are held to certain professional standards by the state's licensure system. Many health care stakeholders are working to improve their quality of care through adoption of best practices and data-driven evaluation.

TriStar hospitals such as Summit Medical Center pursue and maintain high quality standards in their services, as defined by best practices standards within HCA as well as by standards promulgated by State licensure.

5. Health Care Workforce

The state should support the development, recruitment, and retention of a sufficient and quality health care workforce. The state should consider developing a comprehensive approach to ensure the existence of a sufficient, qualified health care workforce, taking into account issues regarding the number of providers at all levels and in all specialty and focus areas, the number of professionals in teaching positions, the capacity of medical, nursing, allied health and other educational institutions, state and federal laws and regulations impacting capacity programs, and funding.

The project's rehabilitation program will provide a broadened clinical rotation for students in physical therapy programs of Tennessee educational institutions. Summit already participates in the training of therapists and this will be a major expansion of that role.

The project's orthopedic unit will support development of a Joint Commission-certified center of excellence in total joint replacement surgery, which can serve as an improved rotation site for health professionals at Summit.

C(1).2. DESCRIBE THE RELATIONSHIP OF THIS PROJECT TO THE APPLICANT'S LONG-RANGE DEVELOPMENT PLANS, IF ANY.

As stated, this project continues to implement HCA TriStar's plan to distribute acute rehabilitation services to suburban locations closer to many patients' homes.

C(I).3. IDENTIFY THE PROPOSED SERVICE AREA AND JUSTIFY THE REASONABLENESS OF THAT PROPOSED AREA. SUBMIT A COUNTY-LEVEL MAP INCLUDING THE STATE OF TENNESSEE CLEARLY MARKED TO REFLECT THE SERVICE AREA. PLEASE SUBMIT THE MAP ON A 8-1/2" X 11" SHEET OF WHITE PAPER MARKED ONLY WITH INK DETECTABLE BY A STANDARD PHOTOCOPIER (I.E., NO HIGHLIGHTERS, PENCILS, ETC.).

Summit Medical Center receives approximately 82% of its admissions from Davidson and Wilson Counties. Under HSDA definitions, they are the hospital's primary service area. On a sub-county level, Summit receives most of its admissions from eastern Davidson County and western Wilson County, for whom it is an important hospital resource. Because HCA TriStar's experience is that the great majority of its rehabilitation units' admissions are patients discharged from the hospital of which they are a part, it is logical to assume that Davidson and Wilson Counties will also be the primary service area for the proposed rehabilitation service. Table Ten below reflects that assumption; its percentages mirror the experience of the hospital in CY2011.

A service area map and a map showing the location of the service within the State of Tennessee are provided as Attachments C, Need--3 at the back of the application.

Table Ten: Projected Patient Origin Summit Medical Center Acute Inpatient Rehabilitation Unit			
PSA County	Percent of Total	Yr. 1 Admissions	Yr. 2 Admissions
Davidson	56.6%	153	161
Wilson	28.8%	78	82
PSA Subtotal	81.9%	231	243
Other Counties or States (<3% each)	14.6%	39	41
Total	100.0%	270	284

Source: Applicant's CY2011 Joint Annual Report; admissions from Projected Data Chart.

C(I).4.A DESCRIBE THE DEMOGRAPHICS OF THE POPULATION TO BE SERVED BY THIS PROPOSAL.

Please refer to Table Eleven on the following page. The county-based primary service area is increasing in population. The State projects that the total population will increase by 3.2 % between 2013 and 2017, and that the elderly 65+ population will increase by 12.9%. This is similar to the projections for the State as a whole. The primary service area's income, poverty and TennCare profiles are not very different from the State average.

But within the primary service area, Wilson County has higher median income, a lower poverty rate, and a lower percentage of its residents enrolled in TennCare than does Davidson County.

**Table Eleven: Demographic Characteristics of Primary Service Area Counties
Summit Medical Center
2013-2017**

Demographic	Davidson County	Wilson County	PRIMARY SERVICE AREA	STATE OF TENNESSEE
Median Age-2010 US Census	33.9	39.3	36.6	38.0
Total Population-2013	605,923	116,150	722,073	6,361,070
Total Population-2017	622,476	122,658	745,134	6,575,165
Total Population-% Change 2013 to 2017	2.7%	5.6%	3.2%	3.4%
Age 65+ Population-2013	72,486	14,229	86,715	878,496
% of Total Population	12.0%	12.3%	12.0%	13.8%
Age 65+ Population-2017	81,389	16,548	97,937	987,074
% of Population	13.1%	13.5%	13.1%	15.0%
Age 65+ Population-% Change 2013-2017	12.3%	16.3%	12.9%	12.4%
Women Age 15-44 Population--2013	121,587	23,617	145,204	1,267,193
% of Population	20.1%	20.3%	20.1%	19.9%
Women Age 15-44 Population--2017	120,914	24,913	145,827	1,287,243
% of Population	19.4%	20.3%	19.6%	19.6%
Women Age 15-44 % Change 2013-2017	-0.6%	5.5%	-2.7%	1.6%
Median Household Income	\$46,737	\$50,579	\$48,658	\$43,989
TennCare Enrollees (10/12)	121,002	14,294	135,296	1,213,474
Percent of 2013 Population Enrolled in TennCare	20.0%	12.3%	18.7%	19.1%
Persons Below Poverty Level (2013)	107,248	9,873	117,121	1,075,021
Persons Below Poverty Level As % of Population (US Census)	17.7%	8.5%	16.2%	16.9%

Sources: TDH Population Projections, Feb. 2008; U.S. Census QuickFacts and FactFinder2; TennCare Bureau. PSA data is unweighted average or total of county data.
NR means not reported in U.S. Census source document.

C(D).4.B. DESCRIBE THE SPECIAL NEEDS OF THE SERVICE AREA POPULATION, INCLUDING HEALTH DISPARITIES, THE ACCESSIBILITY TO CONSUMERS, PARTICULARLY THE ELDERLY, WOMEN, RACIAL AND ETHNIC MINORITIES, AND LOW-INCOME GROUPS. DOCUMENT HOW THE BUSINESS PLANS OF THE FACILITY WILL TAKE INTO CONSIDERATION THE SPECIAL NEEDS OF THE SERVICE AREA POPULATION.

Like other services of Summit Medical Center, this proposed inpatient acute rehabilitation unit will be accessible to the above groups. It will accept both Medicare and TennCare patients. Like most other such units, the large majority of its services will be for elderly patients. But it will also serve some patients younger than 65, who require rehabilitation from stroke, amputation, bone and joint surgery, and other conditions.

C(I).5. DESCRIBE THE EXISTING OR CERTIFIED SERVICES, INCLUDING APPROVED BUT UNIMPLEMENTED CON'S, OF SIMILAR INSTITUTIONS IN THE SERVICE AREA. INCLUDE UTILIZATION AND/OR OCCUPANCY TRENDS FOR EACH OF THE MOST RECENT THREE YEARS OF DATA AVAILABLE FOR THIS TYPE OF PROJECT. BE CERTAIN TO LIST EACH INSTITUTION AND ITS UTILIZATION AND/OR OCCUPANCY INDIVIDUALLY. INPATIENT BED PROJECTS MUST INCLUDE THE FOLLOWING DATA: ADMISSIONS OR DISCHARGES, PATIENT DAYS, AND OCCUPANCY. OTHER PROJECTS SHOULD USE THE MOST APPROPRIATE MEASURES, E.G., CASES, PROCEDURES, VISITS, ADMISSIONS, ETC.

The table below shows the acute inpatient rehabilitation providers in the two-county service area, and their drive times and distances from the project site (Summit).

Table Twelve: Mileage and Drive Times Between Summit Medical Center and Acute Rehabilitation Providers In the Primary Service Area			
Acute IP Rehabilitation Provider and City	County	Distance (Mileage)	Drive Time (Minutes)
1. Baptist Hospital, Nashville	Davidson (Central)	13.1 mi.	18 min.
2. Stallworth Rehabilitation Hospital, Nashville	Davidson (Central)	14.9 mi.	19 min.
3. Nashville Rehabilitation Hospital (closed; license in abeyance)	Davidson (Central)	13.6 mi.	17 min.
4. Southern Hills Medical Center, Nashville	Davidson (South)	13.7 mi.	17 min.
5. Skyline Medical Center, Nashville	Davidson (North)	16.7 mi.	20 min.
6. McFarland Hospital, Lebanon	Wilson	21.5 mi.	27 min.

Source: Google Maps, March 2013..

Utilization of rehabilitation beds in this area has to take into account the significant numbers of licensed, existing rehabilitation beds in Davidson County that are not available to patients, due to serious facility licensure issues or due to lack of need at their original location. Table Thirteen-A below shows the number of total approved/existing rehabilitation beds in Davidson County and the number that are not operational, in CY2012 and CY2013.

Table 13-A: Approved, Operational, and Non-Operational Acute Rehabilitation Beds in Davidson County, 2012-2013		
	CY2012	CY2013
Total Approved	202	202
Operational	157	161
Non-Operational	45	41
Location of Non-Operational Beds	31 at Nashville Rehabilitation Hospital	31 at Nashville Rehabilitation Hospital
	10 at Skyline Medical Center Madison	10 at Skyline Medical Center Madison
	4 under construction at Southern Hills Med. Center	

Source: HSDA and Licensing Records

Table Thirteen-B on the next page shows the utilization of rehabilitation beds in the service area during 2008-2011, the past four years for which Joint Annual Report data is fully available. While all five providers in the two counties averaged 67.8% in CY2011, the four that were open and available in Davidson County averaged 72.1%. And the applicant submits that the 41 designated rehabilitation beds in Davidson County that were not open and available last year are very unlikely to become open and available in the foreseeable future.

CY2012 data on utilization of rehabilitation beds is very limited at this point because the Joint Annual Reports are not all due or available until summer of 2013. However, below is a repeat of Table Eight-B providing what information is available.

Table Eight-B: CY2012 Provisional Occupancies of Service Area Rehabilitation Providers (Not All Have Yet Reported)	
Provider / December 2012 Beds	CY2012 Occupancy
Baptist Hospital / 24 beds	78.3%
VU Stallworth Rehab'n Hospital / 80 beds	not yet reported
Skyline Medical Center / 41 beds	71.9%
Southern Hills Medical Center / 12 beds	69.5%
McFarland Hospital / 26 beds (Wilson Co.)	not yet reported

Source: Joint Annual Report data from Table Twelve, Section C.(I).5 of this application.

Note: Southern Hills had 12 beds during 2012 and opened 4 more in February 2013.

**Table Thirteen-B: Utilization of Acute Inpatient Rehabilitation Beds
Primary Service Area of Summit Medical Center
2008-2011**

ACUTE INPATIENT REHABILITATION PROVIDER	REHAB BEDS IN 2012 IN OPERATION OR APPROVED	2008				2009				2010				2011 (Provisional)			
		BEDS	DAYS	ADC	OCCY	BEDS	DAYS	ADC	OCCY	BEDS	DAYS	ADC	OCCY	BEDS	DAYS	ADC	ADJUSTED OCCY (NOTE 1)
Baptist Hospital	24	24	6,135	16.8	70.0%	24	6,783	18.6	77.4%	24	6,578	18.0	75.1%	24	6,041	16.6	69.0%
Nashville / Davidson County																	
VU Stallworth Rehabilitation Hospital	80	80	22,233	60.9	76.1%	80	22,393	61.4	76.7%	80	22,671	62.1	77.6%	80	22,180	60.8	76.0%
Nashville / Davidson County																	
Nashville Rehabilitation Hospital	0	31	4,831	13.2	38.9%	0	0	0.0	0.0%	0	0	0.0	0.0%	0	0	0.0	0.0%
Nashville / Davidson County																	
Skyline Madison Medical Center	0	10	0	0.0	0.0%	0	0	0.0	0.0%	0	0	0.0	0.0%	0	0	0.0	0.0%
Madison / Davidson County																	
Skyline Medical Center	41	41	8,329	22.8	73.6%	41	10,150	27.8	67.8%	41	10,804	29.6	72.2%	41	11,306	31.0	75.5%
Nashville / Davidson County																	
Southern Hills Medical Center	12	16	0	0.0	0.0%	0	0	0.0	0.0%	0	0	0.0	0.0%	0	0	0.0	0.0%
Nashville / Davidson County																	
McFarland Hospital	26	26	2,762	7.6	29.1%	26	2,529	6.9	26.6%	26	2,641	7.2	27.8%	26	2,794	7.7	29.4%
Lebanon / Wilson County																	
PRIMARY SERVICE AREA TOTALS	183	228	44,290	121.3	62.2%	171	41,855	114.7	67.1%	171	42,694	117.0	68.4%	183	44,086	120.8	67.8%

OPERATIONAL REHABILITATION BEDS BY COUNTY	Licensed & Approved Beds in Operation By Dec 2012	Days of Capacity	CY2011 Days	CY2011 Occy
Davidson County Providers (4)	157	57,305	41,292	72.1%
Wilson County Provider (1)	26	9,490	2,794	29.4%

Source: Joint Annual Reports of Hospitals, TDH, HSDA, and TriStar HCA records

Notes:

- Southern Hills opened 12 beds June 1, 2011. Their ADC during June through December 2011 was 8.3: 1765 rehab days / 214 calendar days = 8.3 ADC. Their occupancy during that period was 69.2%: 8.3 / 12 beds = 69.2%. The 2011 Southern Hills utilization data reflects those adjustments.
The 2011 PSA Total occupancy has also been adjusted to take Southern Hills into account:
Southern Hills Capacity: 12 beds X 214 days = 2,568 days
Other Providers Capacity: 171 beds X 365 days = 64,983 days
2011 Total PSA Capacity: 64,983 days
2011 Rehabilitation Days: 44,086 patient days
2011 Occupancy: 44,086 / 64,983 = 67.8%

- Southern Hills had all 16 approved beds operational by the end of Feb 2013.
- Nashville Rehabilitation Hospital's 31 rehabilitation beds have been nonoperational for several years.
- Skyline Madison Medical Center's 10 rehabilitation beds have been nonoperational for several years.
- The lower chart shows the 183 licensed rehabilitation beds operational at the end of 2012.

C(I).6. PROVIDE APPLICABLE UTILIZATION AND/OR OCCUPANCY STATISTICS FOR YOUR INSTITUTION FOR EACH OF THE PAST THREE (3) YEARS AND THE PROJECTED ANNUAL UTILIZATION FOR EACH OF THE TWO (2) YEARS FOLLOWING COMPLETION OF THE PROJECT. ADDITIONALLY, PROVIDE THE DETAILS REGARDING THE METHODOLOGY USED TO PROJECT UTILIZATION. THE METHODOLOGY MUST INCLUDE DETAILED CALCULATIONS OR DOCUMENTATION FROM REFERRAL SOURCES, AND IDENTIFICATION OF ALL ASSUMPTIONS.

Summit Medical Center on Interstate 40 is the only hospital located in or near the populous and growing communities of eastern Davidson County and western Wilson County. Summit opened a major Emergency Department Expansion in July 2011, and received Accreditation as a Primary Stroke Care Center in November 2011. As a result of these and other service improvements, the hospital's discharges of patients with conditions requiring rehabilitation have soared upward.

Table Fourteen below shows the increase in Summit's discharges to acute rehabilitation programs at all locations, between 2011 and 2012.

Table Fourteen: Annual Discharges to Acute Rehabilitation Programs by Summit Medical Center			
	CY2011	CY2012	Percent Increase
Discharges to Acute Rehabilitation Services	176	195	+10.8%

Source: Hospital records.

Utilization Projection for the Project

Medicare-approved acute rehabilitation units are now required to have 60% of their patient population classified in one of thirteen "Rehabilitation Impairment Categories", or "RIC's". The other 40% of a unit's patients may be other types of conditions that are deemed medically appropriate for rehabilitation. Failure to maintain the 60% standard will result in decertification by Medicare. Providers work very hard not to violate that objective. Summit's projected unit will be managed to have no less than 62% of its patients in the RIC categories at any time. The RIC group of conditions includes stroke, spinal cord injury, amputation, major multiple trauma, hip fracture, brain

injury, neurological disorders, burns, active rheumatoid arthritis, congenital deformity, systemic vasculidities, severe or advanced osteoarthritis, hip and knee replacements with patient obesity and BMI of 50+, and any patient 85 years of age or older.

It should be noted that more than a third of the patients in acute rehabilitation units are there for significant conditions other than the thirteen RIC conditions. An often-cited example is rehabilitation following shoulder surgery. So utilization for this unit was projected considering both RIC and non-RIC patients.

Table Fifteen below (the second following page) sets out the projection. It was made by projecting a hypothetical CY2012 admissions figure that would have been available to a Summit rehabilitation unit in 2012, and then projecting annual increases over the next two years.

Step 1: Summit identified in its past year's discharge base (11-1-11 through 10-31-12) the number of patients that met RIC criteria, and thus were eligible for an acute rehabilitation admission (242).

Step 2: Assuming that the RIC number would be 62% of total admissions, a non-RIC potential admissions number was calculated: $\text{Non-RIC} = 38\% \text{ of the total} = 148$.

Step 3: The RIC and non-RIC potential patients were added to estimate 390 potential admissions from Summit's own internal discharges that year

Steps 4-5: Summit then estimated that only 62% of the 390 potential patients were discharged to any hospital rehabilitation program. This was based on HCA experience locally with its own hospitals. It reflects many factors, including patient choice, payor willingness to cover rehabilitative care, the experience of case management personnel, etc. Application of the 62% factor reduced the potential Summit discharges to 242.

Steps 6-7: Using a weighted average of experience at HCA TriStar's Skyline and Southern Hills rehabilitation programs, Summit projected that a Summit program would have retained 81% of its 242 internal discharges, or 196 admissions that year, had the unit been open at that time.

Also at Step 7, Summit projected a 10% increase in available admissions by CY2014 (Year One of the proposed unit). This is a realistic assumption. The increase in the hospital's discharges to all acute rehabilitation programs was 10.8% greater in 2012 than in 2011. This would give Summit 216 internally generated admissions in Year One of the rehabilitation program.

Steps 8-9: HCA rehabilitation units in Nashville also receive approximately 20% of their total referrals from non-HCA hospitals. Applying this factor to the Summit program, results in 54 additional admissions, or a total of 270 admissions, In Year One ($216 / 80\% = 270$). At an average length of stay of 13.5 days (HCA's experience in Nashville), the unit will achieve 83.3% occupancy in its first year of operation. Its total admissions were projected to increase 5.2% in Year Two, giving the unit 87.6% occupancy in Year Two.

Following Table Fifteen is Table Sixteen, Summit's historical and projected utilization of its beds by service. A page of notes after Table Sixteen discusses its projections.

Table Fifteen: Projected Utilization of Rehabilitation Unit Summit Medical Center (SMC) CY2013-CY2014			
	11/1/1 through 10/31/12	Year 1 CY2014	Year 2 CY2015
1. Summit Medical Center (SMC) Discharges of RIC Patients	242	--	--
2. Other SMC Non-RIC Discharges Appropriate for Rehabilitation	148	--	--
3. Total Potential SMC Discharges of Patients Appropriate for Rehabilitation	390	--	--
4. Percent of Total That Will be Discharged to Rehabilitation	62%	--	--
5. Actual SMC Internal Discharges to Rehabilitation at Any Facility	242	--	--
6. Percent of SMC's Discharges to Rehabilitation Retained by SMC	81%	--	--
7. SMC Internal Discharges to SMC Rehabilitation (Annual Change)	196	216 (+10%)	--
8. Referrals to SMC Rehabilitation From Other Facilities (20% of Total)	--	54	
9. Total SMC Admissions	--	270	284 (+5.2%)
10. ALOS (Average Length of Stay)	--	13.5 days	13.5 days
11. Patient Days	--	3,645	3,834
12. ADC (Average Daily Census)	--	10.0	10.5
13. Rehabilitation Bed Occupancy	--	83.3%	87.6%

Table Sixteen: Summit Medical Center
Utilization of Licensed Beds, CY 2010 - CY 2012
Projected Utilization of Licensed Beds, CY 2013-2015

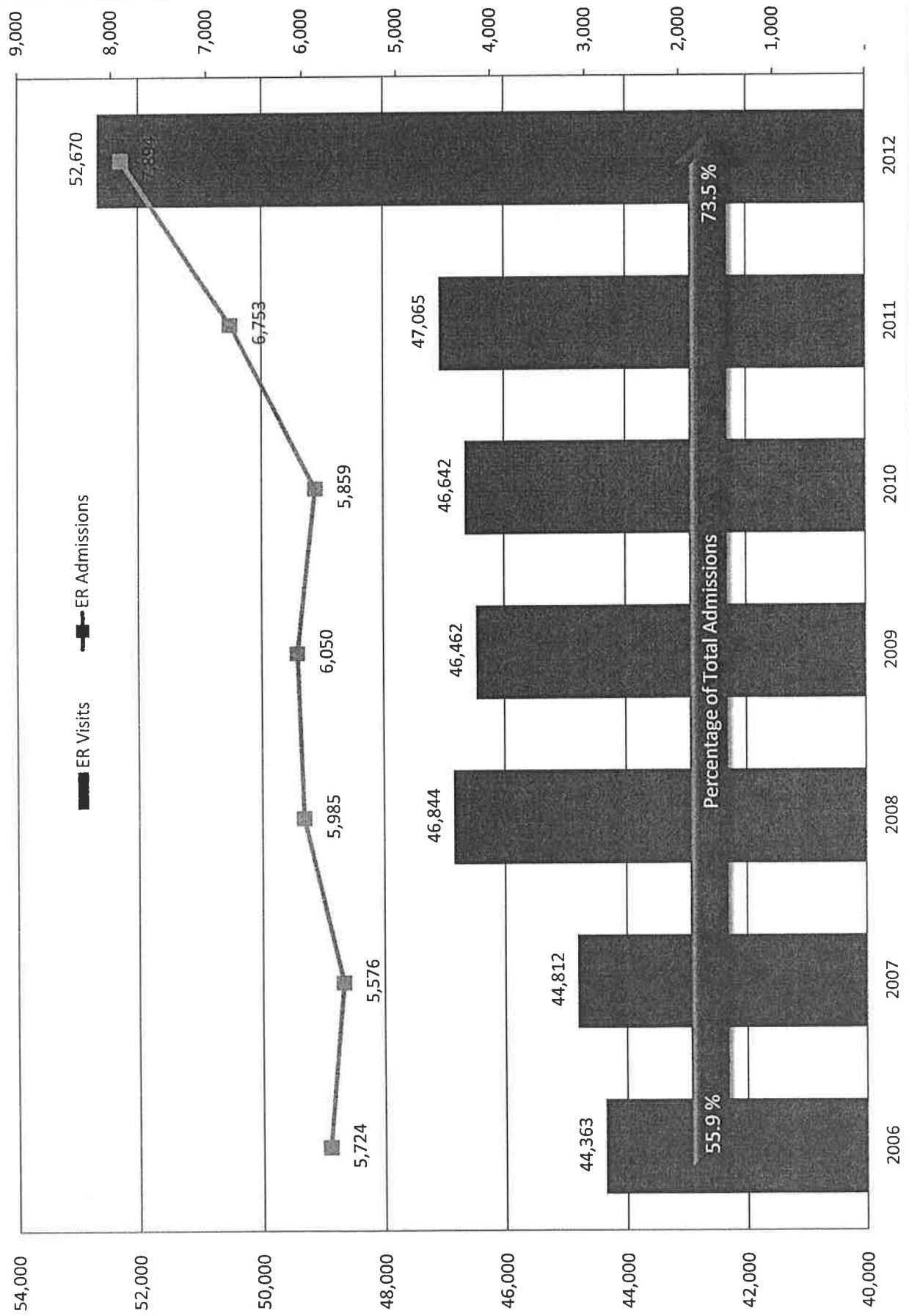
	Actual 2010	Actual 2011	Actual 2012	Projected 2013	Rehabilitation Year One Projected 2014	Rehabilitation Year Two Projected 2015
Total Beds	188	188	188	188	188	188
Admissions	9,850	9,984	10,737	10,989	10,890	11,198
Patient Days	39,921	38,552	42,673	43,760	44,175	45,504
ALOS on Admissions	4	3.9	3.97	3.98	4.06	4.06
ADC on Admissions	109.4	105.6	116.6	119.9	121.0	124.7
Occupancy on Admissions	58.2%	56.2%	62.0%	63.8%	64.4%	66.3%
23-Hour Observation Days	5,207	4,676	4,183	4,298	4,417	4,539
Total Bed Days	48,710	46,367	46,825	48,059	48,592	50,043
Total ADC	133.5	127.0	128.3	131.7	133.1	137.1
Total Occupancy	71.0%	67.6%	68.2%	70.0%	70.8%	72.9%
Medical-Surgical Beds	110	110	110	110	118	118
Admissions	6,671	6,713	7,541	7,767	8,000	8,240
Patient Days	30,099	27,134	29,794	30,688	31,608	32,557
ALOS on Admissions	4.5	4.0	4.0	4.0	4.0	4.0
ADC on Admissions	82.5	74.3	81.6	84.1	86.6	89.2
Occupancy on Admissions	75.0%	67.6%	74.2%	76.4%	73.4%	75.6%
23-Hour Observation Days	4,670	4,427	3,673	3,783	3,897	4,014
Total Bed Days	34,769	31,561	33,467	34,471	35,505	36,570
Total ADC	95.3	86.5	91.7	94.4	97.3	100.2
Total Occupancy	86.6%	78.6%	83.4%	85.9%	82.4%	84.9%
Critical & Intermediate Care Beds	24	24	24	24	24	24
Admissions	1,082	1,163	1,284	1,323	1,362	1,403
Patient Days	5,105	5,601	4,804	4,948	5,097	5,249
ALOS on Admissions	4.7	4.8	3.7	3.7	3.7	3.7
ADC on Admissions	14.0	15.3	13.2	13.6	14.0	14.4
Occupancy on Admissions	58.3%	63.9%	54.8%	56.5%	58.2%	59.9%
23-Hour Observation Days	0	0	0	0	0	0
Total Bed Days	5,105	5,601	4,804	4,948	5,097	5,249
Total ADC	14.0	15.3	13.2	13.6	14.0	14.4
Total Occupancy	58.3%	63.9%	54.8%	56.5%	58.2%	59.9%
NICU Beds	10	10	10	10	10	10
Admissions	69	62	49	49	50	50
Patient Days	825	814	750	758	765	773
ALOS on Admissions	12.0	13.1	15.3	15.3	15.3	15.3
ADC on Admissions	2.3	2.2	2.1	2.1	2.1	2.1
Occupancy on Admissions	22.6%	22.3%	20.5%	20.8%	21.0%	21.2%
23-Hour Observation Days	0	0	0	0	0	0
Total Bed Days	825	814	750	758	765	773
Total ADC	2.3	2.2	2.1	2.1	2.1	2.1
Total Occupancy	22.6%	22.3%	20.5%	20.8%	21.0%	21.2%
Rehabilitation Beds	0	0	0	0	12	12
Admissions	0	0	0	0	270	284
Patient Days	0	0	0	0	3,645	3,834
ALOS on Admissions	0.0	0.0	0.0	0.0	13.5	13.5
ADC on Admissions	0.0	0.0	0.0	0.0	10.0	10.5
Occupancy on Admissions	0.0%	0.0%	0.0%	0.0%	83.2%	87.5%
23-Hour Observation Days	0	0	0	0	0	0
Total Bed Days	0	0	0	0	3,645	3,834
Total ADC	0.0	0.0	0.0	0.0	10.0	10.5
Total Occupancy	0.0%	0.0%	0.0%	0.0%	83.2%	87.5%
Obstetrical Beds	24	24	24	24	24	24
Admissions	1,395	1,232	1,184	1,196	1,208	1,220
Patient Days	3,582	3,139	3,000	3,030	3,060	3,091
ALOS on Admissions	2.6	2.5	2.5	2.5	2.5	2.5
ADC on Admissions	9.8	8.6	8.2	8.3	8.4	8.5
Occupancy on Admissions	40.9%	35.8%	34.2%	34.6%	34.9%	35.3%
23-Hour Observation Days	537	249	510	515	520	525
Total Bed Days	4,119	3,388	3,510	3,545	3,581	3,616
Total ADC	11.3	9.3	9.6	9.7	9.8	9.9
Total Occupancy	47.0%	38.7%	40.1%	40.5%	40.9%	41.3%
Pediatric Beds	0	0	0	0	0	0
Admissions	0	0	0	0	0	0
Patient Days	0	0	0	0	0	0
ALOS on Admissions	0.0	0.0	0.0	0.0	0.0	0.0
ADC on Admissions	0.0	0.0	0.0	0.0	0.0	0.0
Occupancy on Admissions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
23-Hour Observation Days	0	0	0	0	0	0
Total Bed Days	0	0	0	0	0	0
Total ADC	0.0	0.0	0.0	0.0	0.0	0.0
Total Occupancy	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Psychiatric Beds	20	20	20	20	0	0
Admissions	633	814	647	653	0	0
Patient Days	3,892	5,003	4,294	4,337	0	0
ALOS on Admissions	6.1	6.1	6.6	6.6	0.0	0.0
ADC on Admissions	10.7	13.7	11.8	11.9	0.0	0.0
Occupancy on Admissions	53.3%	68.5%	58.8%	59.4%	0.0%	0.0%
23-Hour Observation Days	0	0	0	0	0	0
Total Bed Days	3,892	5,003	4,294	4,337	0	0
Total ADC	10.7	13.7	11.8	11.9	0.0	0.0
Total Occupancy	53.3%	68.5%	58.8%	59.4%	0.0%	0.0%

Source: Hospital Management

NOTES TO TABLE SIXTEEN

1. Medical-surgical admissions are projected to increase 3% annually for 2013-2015, with anticipated growth of the joint replacement program and other programs.
2. Critical Care Unit admissions are projected to increase at 3% annually for 2013-2015.
3. NICU admissions are projected to increase 1% annually, 2013-2015.
4. The rehabilitation unit admissions have been discussed in detail in the narrative preceding Exhibit Sixteen.
5. Obstetrics admissions are projected to increase 1% annually in 2013-2015.
6. As a result of the above projections, TriStar Summit Medical Center's overall inpatient utilization is expected to increase from 68.2% to 72.9% by CY2015.
7. In bed units, significant numbers of observation days must be included in any analysis of bed utilization. No longer an occasional use of beds, observation cases now abound as insurers seek to pay lower costs per day for patient care.

ER Visits and ER Admissions Trend: 2006-2012



C(II)1. PROVIDE THE COST OF THE PROJECT BY COMPLETING THE PROJECT COSTS CHART ON THE FOLLOWING PAGE. JUSTIFY THE COST OF THE PROJECT.

- **ALL PROJECTS SHOULD HAVE A PROJECT COST OF AT LEAST \$3,000 ON LINE F (MINIMUM CON FILING FEE). CON FILING FEE SHOULD BE CALCULATED ON LINE D.**

- **THE COST OF ANY LEASE (BUILDING, LAND, AND/OR EQUIPMENT) SHOULD BE BASED ON FAIR MARKET VALUE OR THE TOTAL AMOUNT OF THE LEASE PAYMENTS OVER THE INITIAL TERM OF THE LEASE, WHICHEVER IS GREATER. NOTE: THIS APPLIES TO ALL EQUIPMENT LEASES INCLUDING BY PROCEDURE OR "PER CLICK" ARRANGEMENTS. THE METHODOLOGY USED TO DETERMINE THE TOTAL LEASE COST FOR A "PER CLICK" ARRANGEMENT MUST INCLUDE, AT A MINIMUM, THE PROJECTED PROCEDURES, THE "PER CLICK" RATE AND THE TERM OF THE LEASE.**

- **THE COST FOR FIXED AND MOVEABLE EQUIPMENT INCLUDES, BUT IS NOT NECESSARILY LIMITED TO, MAINTENANCE AGREEMENTS COVERING THE EXPECTED USEFUL LIFE OF THE EQUIPMENT; FEDERAL, STATE, AND LOCAL TAXES AND OTHER GOVERNMENT ASSESSMENTS; AND INSTALLATION CHARGES, EXCLUDING CAPITAL EXPENDITURES FOR PHYSICAL PLANT RENOVATION OR IN-WALL SHIELDING, WHICH SHOULD BE INCLUDED UNDER CONSTRUCTION COSTS OR INCORPORATED IN A FACILITY LEASE.**

- **FOR PROJECTS THAT INCLUDE NEW CONSTRUCTION, MODIFICATION, AND/OR RENOVATION; DOCUMENTATION MUST BE PROVIDED FROM A CONTRACTOR AND/OR ARCHITECT THAT SUPPORT THE ESTIMATED CONSTRUCTION COSTS.**

The architect's letter supporting the construction cost estimate is provided in Attachment C, Economic Feasibility--1. On the Project Costs Chart, following this response:

Line A.1, A&E fees, were estimated by the project architect.

Line A.2, legal, administrative, and consultant fees, include a contingency for expenses of an administrative appeals hearing.

Line A.5, construction cost, was calculated at approximately \$149 PSF renovation cost, by HCA Corporate Design and Construction staff. This includes a contingency.

Line A.8 includes both fixed and moveable equipment costs, estimated by HCA Corporate Design and Construction staff.

Line A.9 includes such costs as information systems and telecommunications upgrades and replacements.

PROJECT COSTS CHART -- SUMMIT MEDICAL CENTER REHABILITATION UNIT

A. Construction and equipment acquired by purchase

1. Architectural and Engineering Fees	\$ 189,500
2. Legal, Administrative, Consultant Fees (Excl CON Filing)	50,000
3. Acquisition of Site	0
4. Preparation of Site	0
5. Construction Cost	3,293,660
6. Contingency Fund	255,342
7. Fixed Equipment (Not included in Construction Contract)	0
8. Moveable Equipment (List all equipment over \$50,000)	685,000
9. Other (Specify) <u>IT, telecommunications, misc.</u>	385,000

B. Acquisition by gift, donation, or lease:

1. Facility (inclusive of building and land)	0
2. Building only	0
3. Land only	0
4. Equipment (Specify) _____	0
5. Other (Specify) _____	0

C. Financing Costs and Fees:

1. Interim Financing	63,998
2. Underwriting Costs	0
3. Reserve for One Year's Debt Service	0
4. Other (Specify) _____	0

D. Estimated Project Cost (A+B+C)

4,922,500

E. CON Filing Fee

11,076

F. Total Estimated Project Cost (D+E)

TOTAL \$ 4,933,576

Actual Capital Cost 4,933,576
Section B FMV 0

C(II).2. IDENTIFY THE FUNDING SOURCES FOR THIS PROJECT.

a. PLEASE CHECK THE APPLICABLE ITEM(S) BELOW AND BRIEFLY SUMMARIZE HOW THE PROJECT WILL BE FINANCED. (DOCUMENTATION FOR THE TYPE OF FUNDING MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC ORDER AND IDENTIFIED AS ATTACHMENT C, ECONOMIC FEASIBILITY--2).

 A. Commercial Loan--Letter from lending institution or guarantor stating favorable initial contact, proposed loan amount, expected interest rates, anticipated term of the loan, and any restrictions or conditions;

 B. Tax-Exempt Bonds--copy of preliminary resolution or a letter from the issuing authority, stating favorable contact and a conditional agreement from an underwriter or investment banker to proceed with the issuance;

 C. General Obligation Bonds--Copy of resolution from issuing authority or minutes from the appropriate meeting;

 D. Grants--Notification of Intent form for grant application or notice of grant award;

 x **E. Cash Reserves--Appropriate documentation from Chief Financial Officer; or**

 F. Other--Identify and document funding from all sources.

The project will be funded by a cash transfer from the applicant's parent (HCA, Inc.) to the applicant's division office (TriStar Health System). Documentation of financing is provided in Attachment C, Economic Feasibility--2.

C(II).3. DISCUSS AND DOCUMENT THE REASONABLENESS OF THE PROPOSED PROJECT COSTS. IF APPLICABLE, COMPARE THE COST PER SQUARE FOOT OF CONSTRUCTION TO SIMILAR PROJECTS RECENTLY APPROVED BY THE HSDA.

The estimated \$3,293,660 renovation construction cost for the project is approximately \$149 PSF:

Table Three: Construction Cost PSF		
Construction Cost	SF of Renovation	Construction Cost PSF
\$3,293,660	22,118	\$148.91

The 2009-2011 hospital construction projects approved by the HSDA had the following costs per SF. This project's \$149 PSF construction cost is very consistent with those ranges, being below the median for hospital renovation projects.

**Hospital Construction Cost Per Square Foot
Applications Approved by the HSDA
Years: 2009 – 2011**

	Renovated Construction	New Construction	Total Construction
1st Quartile	\$125.84/sq ft	\$235.86/sq ft	\$167.99/sq ft
Median	\$177.60/sq ft	\$274.63/sq ft	\$249.32/sq ft
3rd Quartile	\$273.69/sq ft	\$324.00/sq ft	\$301.74/sq ft

Source: Health Services and Development Agency, 2012

C(II).4. COMPLETE HISTORICAL AND PROJECTED DATA CHARTS ON THE FOLLOWING TWO PAGES--DO NOT MODIFY THE CHARTS PROVIDED OR SUBMIT CHART SUBSTITUTIONS. HISTORICAL DATA CHART REPRESENTS REVENUE AND EXPENSE INFORMATION FOR THE LAST THREE (3) YEARS FOR WHICH COMPLETE DATA IS AVAILABLE FOR THE INSTITUTION. PROJECTED DATA CHART REQUESTS INFORMATION FOR THE TWO YEARS FOLLOWING COMPLETION OF THIS PROPOSAL. PROJECTED DATA CHART SHOULD INCLUDE REVENUE AND EXPENSE PROJECTIONS FOR THE PROPOSAL ONLY (I.E., IF THE APPLICATION IS FOR ADDITIONAL BEDS, INCLUDE ANTICIPATED REVENUE FROM THE PROPOSED BEDS ONLY, NOT FROM ALL BEDS IN THE FACILITY).

See the following pages for these charts, with notes where applicable.

For both the historic and projected charts, there is a "management fee" indicated to an affiliated company (HCA, the parent company). That does not indicate an actual management contract. It is the way HCA allocates its corporate expenses to all the hospitals comprising the company. On the projected data chart that is estimated to be 5.8% of net operating revenues, the amount charged to the hospital last year.

In "Other" expenses, there is an item for an entity named Parallon. It is a wholly owned subsidiary of HCA. It provides support services for the hospitals and allocates the costs of those services back to the hospitals. The services provided by Parallon include:

- All normal Business Office functions (billing, collections, cashiering, etc.)
- Central Scheduling
- Revenue Integrity (chart auditing, charge capture, charge master maintenance)
- Credentialing Functions
- Supply Chain--Materials Management, Accounts Payable & Warehouse
- Payroll functions
- Health Information Management (Medical Records) functions

HISTORICAL DATA CHART -- SUMMIT MEDICAL CENTER

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Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

	Year 2010	Year 2011	Year 2012
A. Utilization Data (JAR discharge days)	41,759	39,877	42,673
B. Revenue from Services to Patients			
1. Inpatient Services	\$ 340,144,880	371,674,202	419,876,431
2. Outpatient Services	240,272,739	236,798,113	277,624,464
3. Emergency Services	43,587,757	46,936,541	58,231,463
4. Other Operating Revenue	2,089,089	2,369,663	1,140,536
(Specify) <u>See notes</u>			
Gross Operating Revenue	\$ 626,094,465	\$ 657,778,519	\$ 756,872,894
C. Deductions for Operating Revenue			
1. Contractual Adjustments	\$ 424,831,830	456,728,007	525,148,823
2. Provision for Charity Care	2,281,357	3,723,069	5,390,825
3. Provisions for Bad Debt	47,854,780	44,276,197	60,246,469
Total Deductions	\$ 474,967,967	\$ 504,727,273	\$ 590,786,117
NET OPERATING REVENUE	\$ 151,126,498	\$ 153,051,246	\$ 166,086,777
D. Operating Expenses			
1. Salaries and Wages	\$ 42,362,204	42,613,777	44,289,349
2. Physicians Salaries and Wages	0	0	0
3. Supplies	25,195,000	29,427,000	24,856,680
4. Taxes	1,257,530	1,202,224	1,339,041
5. Depreciation	7,020,600	7,017,441	7,489,453
6. Rent	1,826,000	1,911,000	1,711,583
7. Interest, other than Capital	251,487	243,557	249,857
8. Management Fees			
a. Fees to Affiliates	10,942,208	10,588,601	9,701,320
b. Fees to Non-Affiliates	0	0	0
9. Other Expenses (Specify) <u>See notes</u>	51,381,249	47,633,531	60,000,150
Total Operating Expenses	\$ 140,236,278	140,637,131	149,637,433
E. Other Revenue (Expenses) -- Net (Specify)	\$	\$	\$
NET OPERATING INCOME (LOSS)	\$ 10,890,220	\$ 12,414,115	\$ 16,449,344
F. Capital Expenditures			
1. Retirement of Principal	\$ 0	\$ 0	\$ 0
2. Interest	0	0	0
Total Capital Expenditures	\$ 0	\$ 0	\$ 0
NET OPERATING INCOME (LOSS)			
LESS CAPITAL EXPENDITURES	\$ 10,890,220	\$ 12,414,115	\$ 16,449,344

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Notes to Historical Data Chart

D.8, Other expenses:

	Year 2010	Year 2011	Year 2012
Employee Benefits	11,268,000	12,925,000	12,541,770
Pro Fees	1,078,000	2,400,000	3,777,745
Ancillary Clinical Services	25,782,249	18,117,531	27,812,782
Contract Services (all)	13,253,000	14,191,000	15,867,853
Total	51,381,249	47,633,531	60,000,150

Management Fee	10,942,000	11,019,000	9,701,320
	7.2%	7.2%	5.8%

PROJECTED DATA CHART -- SUMMIT MEDICAL CENTER REHABILITATION UNIT

Give information for the two (2) years following the completion of this proposal.

The fiscal year begins in January.

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		Year 2014	Year 2015
	Admissions	270	284
	Patient Days	3,645	3,834
A.	Utilization Data		
B.	Revenue from Services to Patients		
1.	Inpatient Services	\$ 11,880,000	\$ 12,996,000
2.	Outpatient Services		
3.	Emergency Services		
4.	Other Operating Revenue (Specify)		
	Gross Operating Revenue	\$ 11,880,000	\$ 12,996,000
C.	Deductions for Operating Revenue		
1.	Contractual Adjustments	\$ 6,408,000	\$ 7,105,000
2.	Provision for Charity Care 1%	118,800	129,960
3.	Provisions for Bad Debt 4%	475,200	520,040
	Total Deductions	\$ 7,002,000	\$ 7,755,000
	NET OPERATING REVENUE	\$ 4,878,000	\$ 5,241,000
D.	Operating Expenses		
1.	Salaries and Wages	\$ 1,508,000	\$ 1,608,000
2.	Physicians Salaries and Wages	0	0
3.	Supplies	281,000	307,000
4.	Taxes	0	0
5.	Depreciation	0	0
6.	Rent	0	0
7.	Interest, other than Capital	0	0
8.	Management Fees		
a.	Fees to Affiliates (5.8% of NOR)	271,000	291,000
b.	Fees to Non-Affiliates		
9.	Other Expenses (Specify) See notes	1,227,000	1,306,000
	Total Operating Expenses	\$ 3,287,000	\$ 3,512,000
E.	Other Revenue (Expenses) -- Net (Specify)	\$	\$
	NET OPERATING INCOME (LOSS)	\$ 1,591,000	\$ 1,729,000
F.	Capital Expenditures		
1.	Retirement of Principal	\$	\$
2.	Interest		
	Total Capital Expenditures	\$ 0	\$ 0
	NET OPERATING INCOME (LOSS)		
	LESS CAPITAL EXPENDITURES	\$ 1,591,000	\$ 1,729,000

Notes to Projected Data Chart -- SMC Rehabilitation Unit

D.9: Other expenses:

Other expenses:

	Year 2014	Year 2015
Employee Benefits	408,000	440,000
Pro Fees	88,000	92,000
Repairs and Maintenance	107,000	115,000
Rents and Leases	96,000	99,000
Ancillary Clinical Services	94,000	102,000
Insurance	94,000	101,000
Parallon Allocations	340,000	357,000
	1,227,000	1,306,000
Management Fee (5.8 % of NR - 2012 rate)	271,000	291,000

C(II).5. PLEASE IDENTIFY THE PROJECT'S AVERAGE GROSS CHARGE, AVERAGE DEDUCTION FROM OPERATING REVENUE, AND AVERAGE NET CHARGE.

Table Seventeen: Charges, Deductions, Net Charges, Net Operating Income		
	CY2013	CY2014
Admissions	270	284
Patient Days	3,645	3,834
Average Gross Charge Per Day	\$3,259	\$3,390
Average Gross Charge Per Admission	\$44,000	\$45,761
Average Deduction from Operating Revenue Per Day	\$1,921	\$2,023
Average Deduction from Operating Revenue Per Admission	\$25,933	\$27,306
Average Net Charge (Net Operating Revenue) Per Day	\$1,338	\$1,367
Average Net Charge (Net Operating Revenue) Per Admission	\$18,067	\$18,454
Average Net Operating Income after Expenses, Per Day	\$436	\$451
Average Net Operating Income after Expenses, Per Admission	\$5,893	\$6,088

Source: Projected Data Chart for Rehabilitation, Hospital management.

C(II).6.A. PLEASE PROVIDE THE CURRENT AND PROPOSED CHARGE SCHEDULES FOR THE PROPOSAL. DISCUSS ANY ADJUSTMENT TO CURRENT CHARGES THAT WILL RESULT FROM THE IMPLEMENTATION OF THE PROPOSAL. ADDITIONALLY, DESCRIBE THE ANTICIPATED REVENUE FROM THE PROPOSED PROJECT AND THE IMPACT ON EXISTING PATIENT CHARGES.

The project's most frequent charges are shown in response to C(II).6.B below. The introduction of the new rehabilitation service will not affect any other hospital charges, because it will operate with a positive revenue margin, making it unnecessary to shift costs to other hospital services.

C(II).6.B. COMPARE THE PROPOSED CHARGES TO THOSE OF SIMILAR FACILITIES IN THE SERVICE AREA/ADJOINING SERVICE AREAS, OR TO PROPOSED CHARGES OF PROJECTS RECENTLY APPROVED BY THE HSDA. IF APPLICABLE, COMPARE THE PROJECTED CHARGES OF THE PROJECT TO THE CURRENT MEDICARE ALLOWABLE FEE SCHEDULE BY COMMON PROCEDURE TERMINOLOGY (CPT) CODE(S).

The projected average gross charge for the new rehabilitation unit in CY2014 will be consistent with the average gross charges for similar area projects approved by the Agency or in operation already, once reasonable adjustments are made for annual inflation CY2014. No charge information is publicly available for rehabilitation units in hospitals because the Joint Annual Reports do not contain revenue data specific to inpatient rehabilitation services. It is available for a rehabilitation hospital, however, as shown below. Following is available charge data. (Cases are discharges or admissions.)

Table Eighteen: Year One Charges of Similar Facilities Compared to CY2014 Charge of This Project					
Provider	Gross / Net Charges	Cases	Days	Gross/Net Charges Per Case (NOR)	Gross/Net Charges Per Day
HealthSouth Rehab'n Hospital Williamson County (CN1002-059)	\$18,447,324 / \$8,231,016	537	7,245	\$34,353 / \$15,327	\$2,546 / \$1,136
VU Stallworth Rehabilitation Hospital (2011 JAR)	\$56,921,124 / \$25,001,544	1,713	22,671	\$33,228 / \$14,595	\$2,511 / \$1,103
Southern Hills Medical Center (CN 1111-048)	\$19,085,892 / \$5,522,620	347	4,530	\$55,003 / \$15,915	\$4,213 / \$1,220
THIS PROJECT (2013)	\$11,880,000 / \$4,878,000	270	3,645	\$44,000 / \$18,067	\$3,259 / \$1,338

Source: HSDA Records; Joint Annual Reports; Projected Data Chart

There is no publicly available data by which surgical bed charges can be compared to those of other hospitals in the service area.

Table Nineteen on the following page shows the most frequent procedures to be performed, with their current Medicare reimbursement, and their projected Years One and Two utilization and average gross charges.

Table Nineteen: Summit Medical Center
Charge Data for Most Frequent Admissions Diagnoses

SERVICE: REHABILITATION UNIT

Admission Code	Descriptor	Current Medicare Allowable	Average Gross Charge			Utilization (Admissions)		
			Current	Year 1	Year 2	Current	Year 1	Year 2
1	Stroke	49,091	N/A	50,254	52,264	N/A	70	74
2	Traumatic Brain Injury	37,646	N/A	38,538	40,080	N/A	15	16
6	Neurological	37,345	N/A	38,230	39,759	N/A	44	46
7	Fracture of Lower Extremity	39,152	N/A	40,080	41,683	N/A	26	27
10	Amputation, Lower Extremity	42,766	N/A	43,779	45,530	N/A	7	7
17	Mult Trauma w/o Brain or Sp Cord Inj	40,658	N/A	41,621	43,286	N/A	5	6
	Subtotal, Most Frequent			43,920	45,691		167	176
	All Other			44,130	45,872		103	108
	Total			44,000	45,760		270	284

SERVICE: ORTHOPEDIC UNIT

	Descriptor	Current Medicare Allowable	Average Gross Charge			Utilization (Admissions)		
			Current	Year 1	Year 2	Current	Year 1	Year 2
470	Major Joint Replacement W/O MCC	11,741	62,786	65,297	67,909	226	233	240
469	Major Joint Replacement W/ MCC	19,162	94,466	98,245	102,174	17	18	19
481	Hip Fracture	10,840	46,589	48,453	50,391	78	80	82
483	Major Reatt, Upper Extrem W/MCC	14,184	61,385	63,840	66,394	17	18	19
484	Major Reatt, Upper Extrem W/O MCC	11,739	57,444	59,742	62,131	6	6	6
	Subtotal, Most Frequent	N/A	0	0	0	344	355	366
	All Other	N/A	75,643	78,669	81,815	209	215	221
	Total		-	-	-	553	570	587

Source: Hospital Management

C(II).7. DISCUSS HOW PROJECTED UTILIZATION RATES WILL BE SUFFICIENT TO MAINTAIN COST-EFFECTIVENESS.

The Projected Data Chart and charge information in the application demonstrate that the rehabilitation unit will be cost-effective, operating with a positive financial margin, while maintaining a competitive charge structure for payors.

C(II).8. DISCUSS HOW FINANCIAL VIABILITY WILL BE ENSURED WITHIN TWO YEARS; AND DEMONSTRATE THE AVAILABILITY OF SUFFICIENT CASH FLOW UNTIL FINANCIAL VIABILITY IS MAINTAINED.

Summit generates a large number of referrals to acute rehabilitation programs each year. An even larger number of discharges have been identified, who are eligible for such transfers. The proposed unit will be sufficiently utilized in its first two years to operate with a positive financial margin, at charges that are comparable to those of other such programs in the area.

The same is true of the orthopedic unit. Summit's surgical program is highly utilized and the growth in its joint replacement program will ensure strong utilization of the proposed orthopedic beds.

C(II).9. DISCUSS THE PROJECT'S PARTICIPATION IN STATE AND FEDERAL REVENUE PROGRAMS, INCLUDING A DESCRIPTION OF THE EXTENT TO WHICH MEDICARE, TENNCARE/MEDICAID, AND MEDICALLY INDIGENT PATIENTS WILL BE SERVED BY THE PROJECT. IN ADDITION, REPORT THE ESTIMATED DOLLAR AMOUNT OF REVENUE AND PERCENTAGE OF TOTAL PROJECT REVENUE ANTICIPATED FROM EACH OF TENNCARE, MEDICARE, OR OTHER STATE AND FEDERAL SOURCES FOR THE PROPOSAL'S FIRST YEAR OF OPERATION.

Like Summit Medical Center, this proposed unit will serve the groups listed above. Indigent care is projected at approximately 1% of gross revenues annually and Medicare and TennCare/Medicaid are projected at a combined 55% of services.

Table Twenty: Medicare and TennCare/Medicaid Gross Revenues, Year One		
	Medicare	TennCare/Medicaid
Gross Revenue	\$6,177,600	\$356,400
Percent of Gross Revenue	52%	3%

Source: Hospital management

C(II).10. PROVIDE COPIES OF THE BALANCE SHEET AND INCOME STATEMENT FROM THE MOST RECENT REPORTING PERIOD OF THE INSTITUTION, AND THE MOST RECENT AUDITED FINANCIAL STATEMENTS WITH ACCOMPANYING NOTES, IF APPLICABLE. FOR NEW PROJECTS, PROVIDE FINANCIAL INFORMATION FOR THE CORPORATION, PARTNERSHIP, OR PRINCIPAL PARTIES INVOLVED WITH THE PROJECT. COPIES MUST BE INSERTED AT THE END OF THE APPLICATION, IN THE CORRECT ALPHANUMERIC ORDER AND LABELED AS ATTACHMENT C, ECONOMIC FEASIBILITY--10.

These are provided as Attachment C, Economic Feasibility--10.

C(II)11. DESCRIBE ALL ALTERNATIVES TO THIS PROJECT WHICH WERE CONSIDERED AND DISCUSS THE ADVANTAGES AND DISADVANTAGES OF EACH ALTERNATIVE, INCLUDING BUT NOT LIMITED TO:

A. A DISCUSSION REGARDING THE AVAILABILITY OF LESS COSTLY, MORE EFFECTIVE, AND/OR MORE EFFICIENT ALTERNATIVE METHODS OF PROVIDING THE BENEFITS INTENDED BY THE PROPOSAL. IF DEVELOPMENT OF SUCH ALTERNATIVES IS NOT PRACTICABLE, THE APPLICANT SHOULD JUSTIFY WHY NOT, INCLUDING REASONS AS TO WHY THEY WERE REJECTED.

B. THE APPLICANT SHOULD DOCUMENT THAT CONSIDERATION HAS BEEN GIVEN TO ALTERNATIVES TO NEW CONSTRUCTION, E.G., MODERNIZATION OR SHARING ARRANGEMENTS. IT SHOULD BE DOCUMENTED THAT SUPERIOR ALTERNATIVES HAVE BEEN IMPLEMENTED TO THE MAXIMUM EXTENT PRACTICABLE.

With respect to construction, the project requires no new construction. It will be done entirely by renovation.

With respect to alternatives, there is no alternative way to make acute inpatient rehabilitation more accessible to residents of the eastern suburban edge of Davidson County and adjoining western Wilson County. Acute rehabilitation is a hospital-based program and Summit is the only hospital between the rehabilitation units at Baptist Hospital in central Davidson County, and UMC McFarland Hospital in central Wilson County--a distance of approximately 32 miles. Deployment of rehabilitation at Summit will be consistent with HSDA decisions for other suburban areas around Nashville.

While rehabilitation is available in nursing home programs in the service area, a hospital-based acute rehabilitation program allows patients to receive more intensive therapies (3 or more hours per day), and is appropriate for patients who need that. The project also permits Summit to offer and control a complete continuum of care for its patients whose discharge from the initial stay needs to proceed seamlessly into acute rehabilitation, with their medical team conveniently close.

Conversion of medical-surgical beds to rehabilitation beds or specialty orthopedic beds is not feasible. The annual average occupancy of the hospital's 110 medical-surgical beds reached 83.3% CY2012 and further increases are anticipated. As discussed in prior sections of the application, the weekday occupancies were even higher.

C(III).1. LIST ALL EXISTING HEALTH CARE PROVIDERS (I.E., HOSPITALS, NURSING HOMES, HOME CARE ORGANIZATIONS, ETC.) MANAGED CARE ORGANIZATIONS, ALLIANCES, AND/OR NETWORKS WITH WHICH THE APPLICANT CURRENTLY HAS OR PLANS TO HAVE CONTRACTUAL AGREEMENTS FOR HEALTH SERVICES.

Following are the facilities most frequently utilizes in its discharge planning:

Skilled Nursing- McKendree, Mt. Juliet Healthcare, Donelson Place, Lebanon Health
and Rehabilitation

Hospice- Alive Hospice, Odyssey, Avalon, Asera Care

Home Health- Suncrest, Gentevia, and Amedysis Home Health Care of Middle

Home Infusion- Walgreens, IV Solutions, Coram

DME- Medical Necessities, At Home Medical, Apria, All-Star

C(III).2. DESCRIBE THE POSITIVE AND/OR NEGATIVE EFFECTS OF THE PROPOSAL ON THE HEALTH CARE SYSTEM. PLEASE BE SURE TO DISCUSS ANY INSTANCES OF DUPLICATION OR COMPETITION ARISING FROM YOUR PROPOSAL, INCLUDING A DESCRIPTION OF THE EFFECT THE PROPOSAL WILL HAVE ON THE UTILIZATION RATES OF EXISTING PROVIDERS IN THE SERVICE AREA OF THE PROJECT.

The project will provide easier access to acute inpatient rehabilitation, for residents of eastern Davidson County and western Wilson County who are being discharged from initial acute care stays in Davidson County hospitals--especially Summit Medical Center--and who would prefer the Hermitage location to a downtown or Wilson County location.

The project consolidates HCA TriStar's psychiatric care resources in Nashville, at its two central Davidson County campuses (Skyline Madison and Centennial Pavilion), freeing up beds in its Davidson County suburban hospitals for broader-based acute services for which there is a greater local need.

The project adds only a net of 2 rehabilitation beds to the service area but at the same time it decreases total licensed acute care bed complements in the area by 10 beds.

The impact on non-HCA rehabilitation providers will be minimal. In CY2012, the majority of Summit's discharges to acute rehabilitation programs in Nashville were to sister HCA hospitals.

The project's impact on TriStar Skyline Medical Center's adult psychiatric program will be to increase the efficiency and occupancy of the Skyline program:

1. Skyline's Adult Psychiatric Units = 100 beds = 36,500 patient days of capacity
2. In CY2012, Skyline provided 24,163 days of care in those units = 66.2% occupancy
3. In CY2012, Summit provided 4,294 days of care in its unit = 58.8% occupancy
4. The combined Skyline and Summit CY2012 days = 28,457 days of care.
5. Had those combined days been provided in Skyline's 100 adult psychiatric beds, their occupancy would have been $28,457/36,500 = 78\%$.

C(III).3. PROVIDE THE CURRENT AND/OR ANTICIPATED STAFFING PATTERN FOR ALL EMPLOYEES PROVIDING PATIENT CARE FOR THE PROJECT. THIS CAN BE REPORTED USING FTE'S FOR THESE POSITIONS. IN ADDITION, PLEASE COMPARE THE CLINICAL STAFF SALARIES IN THE PROPOSAL TO PREVAILING WAGE PATTERNS IN THE SERVICE AREA AS PUBLISHED BY THE TENNESSEE DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT AND/OR OTHER DOCUMENTED SOURCES.

Please see the following page for Table Twenty-Two, showing projected FTE's and salary ranges for both units.

The Department of Labor and Workforce Development website indicates the following Middle Tennessee region's annual salary information for the clinical positions in this project:

Table Twenty-One: TDOL Surveyed Average Salaries for the Region				
Position	Entry Level	Mean	Median	Experienced
RN	\$44,569	\$63,102	\$59,662	\$72,368
Physical Therapist	\$57,012	\$74,117	\$73,472	\$82,669
Physical Therapy Assistant	\$40,515	\$50,048	\$54,814	\$48,674
Occupational Therapist	\$60,560	\$70,045	\$68,908	\$74,787
Certified OT Assistant	\$39,499	\$48,716	\$45,335	\$53,325
Social Worker	\$26,032	\$46,919	\$45,110	\$57,363

Table Twenty-Two: Summit Medical Center Acute Rehabilitation and Orthopaedic Units Staffing Requirements				
Position Type (RN, etc.)	Current FTE's	Year One FTE's	Year Two FTE's	Salary Range (Hourly)
REHABILITATION UNIT				
RN	N/A	5.40	7.00	22.74 - 27.00
LPN	N/A	1.35	1.70	15.40 - 17.00
Program Director	N/A	1.00	1.00	35.00 - 50.00
Nurse Manager	N/A	1.00	1.00	25.00 - 40.00
Unit Secretary	N/A	1.00	1.00	15.36 - 16.96
Admission Coordinator	N/A	1.00	1.00	14.42 - 15.92
Physical Therapists	N/A	2.00	2.00	37.11 - 39.00
Physical Therapy Assistant	N/A	1.00	1.00	18.00 - 20.00
Occupational Therapy	N/A	2.00	2.00	37.11 - 40.00
COTA	N/A	1.00	1.00	18.00 - 20.00
Speech Therapy	N/A	2.00	2.00	37.11 - 41.00
Case Manager/Social Worker	N/A	1.00	1.50	31.48 - 35.00
Outreach Liaisons/PPS Coordinator	N/A	3.80	3.80	19.00 - 23.00
Total FTE's, Rehabilitation Unit		23.55	26.00	
ORTHOPAEDIC UNIT				
RN	N/A	8.40	8.52	22.74 - 27.00
Certified Nurse Technician	N/A	0.00	0.00	15.40 - 17.00
Nurse Director	N/A	0.50	0.50	35.00 - 50.00
Unit Secretary	N/A	0.50	0.50	15.36 - 16.96
Total FTE's, Orthopaedic Unit		9.40	9.52	
Total FTE's, Third Floor Project		32.95	35.52	

Source: Hospital Management

C(III).4. DISCUSS THE AVAILABILITY OF AND ACCESSIBILITY TO HUMAN RESOURCES REQUIRED BY THE PROPOSAL, INCLUDING ADEQUATE PROFESSIONAL STAFF, AS PER THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, AND/OR THE DIVISION OF MENTAL RETARDATION SERVICES LICENSING REQUIREMENTS.

HCA hospitals nationwide and in Middle Tennessee have established numerous acute inpatient rehabilitation programs and TriStar anticipates no difficulties in attracting the nursing, therapy, support staff, and Medical Director required for an effective program at Summit Medical Center.

C(III).5. VERIFY THAT THE APPLICANT HAS REVIEWED AND UNDERSTANDS THE LICENSING CERTIFICATION AS REQUIRED BY THE STATE OF TENNESSEE FOR MEDICAL/CLINICAL STAFF. THESE INCLUDE, WITHOUT LIMITATION, REGULATIONS CONCERNING PHYSICIAN SUPERVISION, CREDENTIALING, ADMISSIONS PRIVILEGES, QUALITY ASSURANCE POLICIES AND PROGRAMS, UTILIZATION REVIEW PPOLICIES AND PROGRAMS, RECORD KEEPING, AND STAFF EDUCATION.

The applicant so verifies.

C(III).6. DISCUSS YOUR HEALTH CARE INSTITUTION'S PARTICIPATION IN THE TRAINING OF STUDENTS IN THE AREAS OF MEDICINE, NURSING, SOCIAL WORK, ETC. (I.E., INTERNSHIPS, RESIDENCIES, ETC.).

StoneCrest is a clinical rotation site for numerous students in the health professions. The schools with which Summit has student affiliation agreements are:

Absolute Medical
Austin Peay University
Belmont University
Cardiac and Vascular Institute
Cedar Crest College
Columbia State Community College
Cumberland University
ITT Technical
Middle TN School of Anesthesia
Middle Tennessee State University
Southeastern University
South University
Tennessee State University
Tennessee Tech
University of Houston
Trevecca Nazarene
University of Phoenix
University of Tennessee
Vanderbilt University
Weber State University
West Virginia Wesleyan College
Western KY University
Volunteer State Community College

In CY2011, Summit Medical Center served as a training rotation site for 415 students from these schools, in the following disciplines and programs: Nursing (174); EMT/Paramedic (68); Anesthesia Tech (72); Pharmacy Tech (35); Nutrition (3); Respiratory Therapy (25); Medical Imaging (31); Physician's Assistant (2); and Physical Therapy (5).

C(III).7(a). PLEASE VERIFY, AS APPLICABLE, THAT THE APPLICANT HAS REVIEWED AND UNDERSTANDS THE LICENSURE REQUIREMENTS OF THE DEPARTMENT OF HEALTH, THE DEPARTMENT OF MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES, THE DIVISION OF MENTAL RETARDATION SERVICES, AND/OR ANY APPLICABLE MEDICARE REQUIREMENTS.

The applicant so verifies.

C(III).7(b). PROVIDE THE NAME OF THE ENTITY FROM WHICH THE APPLICANT HAS RECEIVED OR WILL RECEIVE LICENSURE, CERTIFICATION, AND/OR ACCREDITATION

LICENSURE: Board for Licensing of Health Care Facilities
Tennessee Department of Health

CERTIFICATION: Medicare Certification from CMS
TennCare Certification from TDH

ACCREDITATION: Joint Commission
1. Hospital (current)
2. Certified Primary Stroke Center (proposed)

C(III).7(c). IF AN EXISTING INSTITUTION, PLEASE DESCRIBE THE CURRENT STANDING WITH ANY LICENSING, CERTIFYING, OR ACCREDITING AGENCY OR AGENCY.

The applicant is currently licensed in good standing by the Board for Licensing Health Care Facilities, certified for participation in Medicare and Medicaid/TennCare, and fully accredited by the Joint Commission.

C(III).7(d). FOR EXISTING LICENSED PROVIDERS, DOCUMENT THAT ALL DEFICIENCIES (IF ANY) CITED IN THE LAST LICENSURE CERTIFICATION AND INSPECTION HAVE BEEN ADDRESSED THROUGH AN APPROVED PLAN OF CORRECTION. PLEASE INCLUDE A COPY OF THE MOST RECENT LICENSURE/CERTIFICATION INSPECTION WITH AN APPROVED PLAN OF CORRECTION.

They have been addressed. A copy of the most recent licensure inspection and plan of correction, and/or the most recent accreditation inspection, are provided in Attachment C, Orderly Development--7(C). Summit Medical Center is also a Joint Commission-certified Primary Stroke Center, one of only 18 in Tennessee.

C(III)8. DOCUMENT AND EXPLAIN ANY FINAL ORDERS OR JUDGMENTS ENTERED IN ANY STATE OR COUNTRY BY A LICENSING AGENCY OR COURT AGAINST PROFESSIONAL LICENSES HELD BY THE APPLICANT OR ANY ENTITIES OR PERSONS WITH MORE THAN A 5% OWNERSHIP INTEREST IN THE APPLICANT. SUCH INFORMATION IS TO BE PROVIDED FOR LICENSES REGARDLESS OF WHETHER SUCH LICENSE IS CURRENTLY HELD.

None.

C(III)9. IDENTIFY AND EXPLAIN ANY FINAL CIVIL OR CRIMINAL JUDGMENTS FOR FRAUD OR THEFT AGAINST ANY PERSON OR ENTITY WITH MORE THAN A 5% OWNERSHIP INTEREST IN THE PROJECT.

None.

C(III)10. IF THE PROPOSAL IS APPROVED, PLEASE DISCUSS WHETHER THE APPLICANT WILL PROVIDE THE THSDA AND/OR THE REVIEWING AGENCY INFORMATION CONCERNING THE NUMBER OF PATIENTS TREATED, THE NUMBER AND TYPE OF PROCEDURES PERFORMED, AND OTHER DATA AS REQUIRED.

Yes. The applicant will provide the requested data consistent with Federal HIPAA requirements.

PROOF OF PUBLICATION

Attached.

DEVELOPMENT SCHEDULE

1. PLEASE COMPLETE THE PROJECT COMPLETION FORECAST CHART ON THE NEXT PAGE. IF THE PROJECT WILL BE COMPLETED IN MULTIPLE PHASES, PLEASE IDENTIFY THE ANTICIPATED COMPLETION DATE FOR EACH PHASE.

The Project Completion Forecast Chart is provided after this page.

2. IF THE RESPONSE TO THE PRECEDING QUESTION INDICATES THAT THE APPLICANT DOES NOT ANTICIPATE COMPLETING THE PROJECT WITHIN THE PERIOD OF VALIDITY AS DEFINED IN THE PRECEDING PARAGRAPH, PLEASE STATE BELOW ANY REQUEST FOR AN EXTENDED SCHEDULE AND DOCUMENT THE "GOOD CAUSE" FOR SUCH AN EXTENSION.

Not applicable. The applicant anticipates completing the project within the period of validity.

PROJECT COMPLETION FORECAST CHART

2013 APR 11 AM 8 52

Enter the Agency projected Initial Decision Date, as published in Rule 68-11-1609(c):

July 24, 2013

Assuming the CON decision becomes the final Agency action on that date, indicate the number of days from the above agency decision date to each phase of the completion forecast.

PHASE	DAYS REQUIRED	Anticipated Date (MONTH /YEAR)
1. Architectural & engineering contract signed	1	7/13
2. Construction documents approved by TDH	60	9/13
3. Construction contract signed	60	9/13
4. Building permit secured	70	9/13
5. Site preparation completed	na	na
6. Building construction commenced	71	10/13
7. Construction 40% complete	100	11/13
8. Construction 80% complete	120	12/13
9. Construction 100% complete	140	12/13
10. * Issuance of license	155	12/13
11. *Initiation of service	160	1/14
12. Final architectural certification of payment	250	3/14
13. Final Project Report Form (HF0055)	280	4/14

*** For projects that do NOT involve construction or renovation: please complete items 10-11 only.**

Note: If litigation occurs, the completion forecast will be adjusted at the time of the final determination to reflect the actual issue date.

INDEX OF ATTACHMENTS

A.4	Ownership--Legal Entity and Organization Chart (if applicable)
A.6	Site Control
B.II.A.	Square Footage and Costs Per Square Footage Chart
B.III.	Plot Plan
B.IV.	Floor Plan
C, Need--3	Service Area Maps
C, Economic Feasibility--1	Documentation of Construction Cost Estimate
C, Economic Feasibility--2	Documentation of Availability of Funding
C, Economic Feasibility--10	Financial Statements
C, Orderly Development--7(C)	TDH Inspection & Plan of Correction
Miscellaneous Information	
Support Letters	

A.4--Ownership
Legal Entity and Organization Chart

Board for Licensing Health Care Facilities



State of Tennessee

DEPARTMENT OF HEALTH

00000000033

No. of Beds 0188

This is to certify, that a license is hereby granted by the State Department of Health to

to conduct and maintain a

HCA HEALTH SERVICES OF TENNESSEE, INC.

Hospital

TRISTAR SUMMIT MEDICAL CENTER

Located at

5655 FRIST BOULEVARD, HERMITAGE

County of

DAVIDSON

, Tennessee.

2013 APR 11

This license shall expire

APRIL 20

, 2014

,

and is subject

to the provisions of Chapter 11, Tennessee Code Annotated. This license shall not be assignable or transferable, and shall be subject to revocation at any time by the State Department of Health, for failure to comply with the laws of the State of Tennessee or the rules and regulations of the State Department of Health issued thereunder.

In Witness Whereof, we have hereunto set our hand and seal of the State this 20TH day of APRIL, 2013.

GENERAL HOSPITAL
PEDIATRIC BASIC HOSPITAL

In the District Category(ies) of:



By

Wendy J. Davis, MPH

DIRECTOR, DIVISION OF HEALTH CARE FACILITIES

By

M. J. Davis

COMMISSIONER

CERTIFICATE OF DISTINCTION

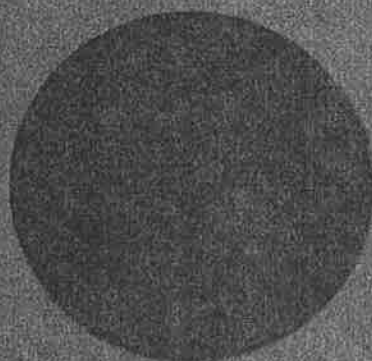
has been awarded to

Summit Medical Center
Hermitage, TN

for Advanced Certification as a

Primary Stroke Center

by



The Joint Commission

*based on a review of compliance with national standards,
clinical guidelines and outcomes of care*

November 29, 2011

Certification is customarily valid for up to 24 months

David V. Hooverman, MD, MACT
Chairman, Board of Commissioners

Organization ID# 7806
Print/Reprint Date: 01/10/12

Mark R. Chassin, MD, FACP, MPE, MPH
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in certified organizations. Information about certified organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding certification and the certification performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.



Summit Medical Center

Hermitage, TN

has been Accredited by



The Joint Commission

Which has surveyed this organization and found it to meet the requirements for the

Hospital Accreditation Program

May 26, 2012

Accreditation is customarily valid for up to 36 months.

A handwritten signature in cursive script, reading "Isabel V. Hoverman".

Isabel V. Hoverman, MD, MACP
Chair, Board of Commissioners

Organization ID #: 7806
Print/Reprint Date: 08/21/12

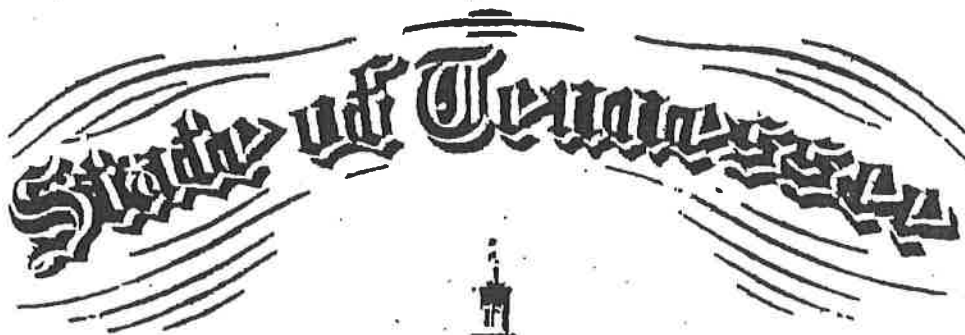
A handwritten signature in cursive script, reading "Mark R. Chassin".

Mark R. Chassin, MD, FACP, MPP, MPH
President

The Joint Commission is an independent, not-for-profit, national body that oversees the safety and quality of health care and other services provided in accredited organizations. Information about accredited organizations may be provided directly to The Joint Commission at 1-800-994-6610. Information regarding accreditation and the accreditation performance of individual organizations can be obtained through The Joint Commission's web site at www.jointcommission.org.



This reproduction of the original accreditation certificate has been issued for use in regulatory/payer agency verification of accreditation by The Joint Commission. Please consult Quality Check on The Joint Commission's website to confirm the organization's current accreditation status and for a listing of the organization's locations of care.



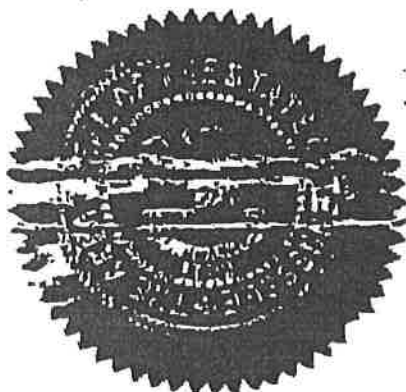
CERTIFICATE

The undersigned, as Secretary of State of the State of Tennessee, hereby certifies that the attached document was received for filing on behalf of HCA HEALTH SERVICES OF TENNESSEE, INC.

(Name of Corporation)

was duly executed in accordance with the Tennessee General Corporation Act, was found to conform to law and was filed by the undersigned, as Secretary of State, on the date noted on the document.

THEREFORE, the undersigned, as Secretary of State, and by virtue of the authority vested in him by law, hereby issues this certificate and attaches hereto the document which was duly filed on July Twenty-ninth, 1981



Doby Curwell
Secretary of State

SECRET-11 BY 077
98 JUL 29 PM 3 33

0 0 2 2 4 0 0 8 0 8

CHARTER

OF

HCA HEALTH SERVICES OF TENNESSEE, INC.

The undersigned natural persons, having capacity to contract and acting as the incorporators of a corporation under the Tennessee General Corporation Act, adopt the following Charter for such corporation.

1. The name of the corporation is HCA HEALTH SERVICES OF TENNESSEE, INC.

2. The duration of the corporation is perpetual.

3. The address of the principal office of the corporation in the State of Tennessee shall be One Park Plaza, Nashville, County of Davidson.

4. The corporation is for profit.

5. The purposes for which the corporation is organized are:

(a) To purchase, lease or otherwise acquire, to operate, and to sell, lease or otherwise dispose of hospitals, convalescent homes, nursing homes and other institutions for the medical care and treatment of patients; to purchase, manufacture, or prepare and to sell or otherwise deal in, as principal or as agent, medical equipment or supplies; to construct, or lease, and to operate restaurants, drug stores, gift shops, office buildings, and other facilities in connection with hospitals or other medical facilities owned or operated by it; to engage in any other act or acts which a corporation may perform for a lawful purpose or purposes.

(b) To consult with owners of hospitals and all other types of health care or medically-oriented facilities or managers thereof regarding any matters related to the construction, design, ownership, staffing or operation of such facilities.

(c) To provide consultation, advisory and management services to any business, whether corporation, trust, association, partnership, joint venture or proprietorship.

6. The maximum number of shares which the corporation shall have the authority to issue is One Thousand (1,000) shares of Common Stock, par value of \$1.00 per share.

7. The corporation will not commence business until the consideration of One Thousand Dollars (\$1,000) has been received for the issuance of shares.

8. (a) The shareholders of this corporation shall have none of the preemptive rights set forth in the Tennessee General Corporation Act.

00224 00809
The initial bylaws of this corporation shall be adopted by the incorporators hereof, and thereafter, the bylaws of this corporation may be amended, repealed or adopted by a majority of the outstanding shares of capital stock.

(c) This corporation shall have the right and power to purchase and hold shares of its capital stock; provided, however, that such purchase, whether direct or indirect, shall be made only to the extent of unreserved and unrestricted capital surplus.

DATED: July 22, 1981.

Charles L. Kown
Charles L. Kown

Betty D. Daugherty
Betty D. Daugherty

Ruth B. Foster
Ruth B. Foster



Secretary of State Business Information Search

Name	I.D. Number
HEALTHTRUST, INC. - THE HOSPITAL COMPANY	0191382

Business Type*:	CORPORATION
Profit/Nonprofit:	FOR PROFIT
Status*:	ACTIVE
Date of Formation/Qualification:	07/13/1987
Domestic/Foreign:	FOREIGN
Place of Incorporation/Organization:	DE
Duration:	PERPETUAL
FYC(Fiscal Year Closing) Month:	DECEMBER

Principal Office:

Address Line 1:	ONE PARK PLAZA
Address Line 2:	
City:	NASHVILLE
State:	TN
Zip:	372030000

Other than USA:

Registered Agent:

Name:	C T CORPORATION SYSTEM
Address Line 1:	800 S. GAY STREET
Address Line 2:	SUITE 2021
City:	KNOXVILLE
State:	TN
Zip:	379299710

Business Filing History

* Important Note: Business filing History includes information about (1) the basis for an inactive status and (2) the current true name and filing status of a business with an assumed name or a changed status.

Note: This information is current as of three working days prior to today's date.

[Search Again](#)



Secretary of State Business Information Search

Name
HCA INC.

I.D. Number
0280381

Business Type*: CORPORATION
Profit/Nonprofit: FOR PROFIT
Status*: ACTIVE
Date of Formation/Qualification: 06/14/1994
Domestic/Foreign: FOREIGN
Place of Incorporation/Organization: DE
Duration: PERPETUAL
FYC(Fiscal Year Closing) Month: DECEMBER

Principal Office:

Address Line 1: ONE PARK PLAZA
Address Line 2:
City: NASHVILLE
State: TN
Zip: 372030000
Other than USA:

Registered Agent:

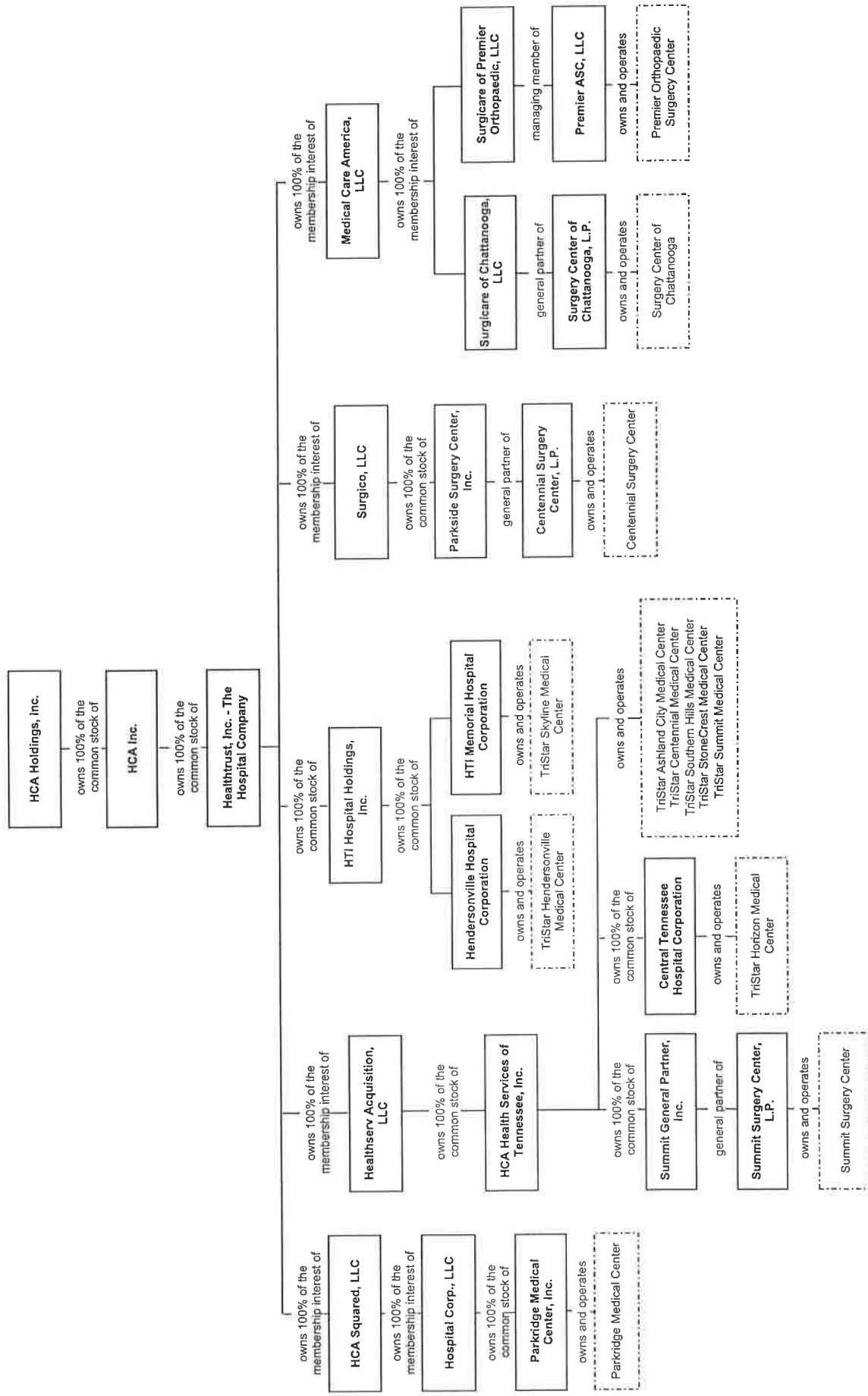
Name: C T CORPORATION SYSTEM
Address Line 1: 800 S. GAY STREET
Address Line 2: SUITE 2021
City: KNOXVILLE
State: TN
Zip: 379299710

Business Filing History

* Important Note: Business filing History includes information about (1) the basis for an inactive status and (2) the current true name and filing status of a business with an assumed name or a changed status.

Note: This information is current as of three working days prior to today's date.

[Search Again](#)



TENNESSEE FACILITIES OWNED BY HCA, INC.

Centennial Medical Center	2300 Patterson Str	Nashville	TN	37203
Parthenon Pavilion	2401 Parman Place	Nashville	TN	37203
Sarah Cannon Cancer Center	250 25th Avenue North	Nashville	TN	37203
Sarah Cannon Research Institute	3322 West End Avenue	Nashville	TN	37203
Women's Hospital	2221 Murphy Avenue	Nashville	TN	37203
Centennial Surgery Center	345 23rd Ave N	Nashville	TN	37203-1524
Greenville Regional Hospital	1801 Ashley Circle	Bowling Green	KY	42104-9024
Hendersonville Medical Center	355 New Shackle Island Road	Hendersonville	TN	37075
Horizon Medical Center	111 Highway 70 East	Dickson	TN	37055
Natchez Imaging	101 Natchez Park Drive	Dickson	TN	37055
Radiation Oncology @ SCCC	105 Natchez Park Drive	Dickson	TN	37055
TN Oncology @ SCCC	103 Natchez Park Drive	Dickson	TN	37055
Parkridge East Hospital	941 Spring Creek Road	Chattanooga	TN	37412
Parkridge Medical Center	2333 McCallie Avenue	Chattanooga	TN	37404
Parkridge Valley Hospital	2200 Morris Hill Road	Chattanooga	TN	37421
Portland Medical Center	105 Redbud Drive	Portland	TN	37148
Skyline Medical Center	3441 Dickerson Pike	Nashville	TN	37207
Skyline Madison Campus	500 Hospital Drive	Madison	TN	37115
Southern Hills Medical Center	391 Wallace Road	Nashville	TN	37211
Southern Hills Surgical Center	360 Wallace Road	Nashville	TN	37212
StoneCrest Medical Center	200 StoneCrest Boulevard	Smyrna	TN	37167
Summit Medical Center	5655 Frist Boulevard	Hermitage	TN	37076
Summit Surgery Center	3901 Central Pike	Hermitage	TN	37076

FEB. 27, 2012

A.6--Site Control

P. W. T. P.

This Instrument Prepared By:

BAKER, WORTHINGTON, CROSSLEY,
STANSBERRY & WOOLF
Attorneys At Law
1700 Nashville City Center
Post Office Box 2866
Nashville, Tennessee 37219

Address of New Owner:

HCA Health Services
of Tennessee, Inc.
One Park Plaza
Nashville, Tennessee 37203

Send Tax Bills To:

same

Map and Parcel:

To Be assigned

SPECIAL WARRANTY DEED

BOOK 8120 PAGE 220

FOR AND IN CONSIDERATION of the sum of Ten and No/100 Dollars (\$10.00), cash in hand paid, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, SOVRAN BANK/CENTRAL SOUTH (herein referred to as "Grantor") has this day bargained and sold and, by these presents, does hereby transfer and convey unto HCA HEALTH SERVICES OF TENNESSEE, INC. (herein referred to as "Grantee"), its successors and assigns, forever, the following described tract or parcel of land located in Davidson County, Tennessee, to-wit:

Being a tract of land lying in the 14th Councilmanic District of Nashville, Davidson County, Tennessee and being more particularly described as follows:

Beginning at a point, said point being South 10 deg. 13' 00" West 270.93 feet from a concrete monument in the westerly right-of-way of Old Hickory Boulevard and being at the southeast corner of the Constructors, Inc. property as of record in Deed Book 5777, page 846, Register's Office for Davidson County, Tennessee; thence with the southerly line of said Constructors, Inc. North 83 deg. 04' 50" West 265.20 feet to the TRUE POINT OF BEGINNING; thence leaving the southerly line of Constructors, Inc. and with a common line between Tennessee Department of Transportation property as of record in Deed Book 7687, Page 344, Register's Office for Davidson County, Tennessee and Northwest Quadrant South 14 deg. 47' 23" West 237.28 feet to a point; thence South 07 deg. 15' 09" West 406.92 feet to a point; thence South 05 deg. 34' 56" West 361.65 feet to a point on the northerly right-of-way of Central Pike; thence with a curve to the right having a radius of 2822.79 feet an arc length of 56.69 feet and a chord bearing and distance of South 89 deg. 59' 15" West 56.69 feet to a point; thence North 00 deg. 33' 46" East 3.00 feet to a point; thence with a curve to the right having a radius of 2819.79 feet an arc length of 147.30 feet and a chord bearing and distance of North 87 deg. 56' 26" West 147.28 feet to a point; thence South 03 deg. 33' 21" West 3.00 feet to a point; thence North 86 deg. 26' 39" West 377.82 feet to a point; thence South 03 deg. 33' 21" West 7.00 feet to point; thence North 86 deg. 26' 39" West 99.99 feet to a point; thence with a curve to the right having a radius of 5694.58 feet an arc length of 447.25 feet and a chord bearing and distance of North 84 deg. 11' 39" West 447.14 feet to a point; thence North 81 deg. 56' 39" West 107.70 feet to a point; said point being the southeast corner of the Hermitage Meadows Property as recorded in Book 5200, page 507, Register's Office for Davidson County, Tennessee,

thence with the easterly line of said Hermitage Meadows North 21 deg. 10' 58" West 104.67 feet to an iron rod; thence North 13 deg. 30' 36" West 282.01 feet to a concrete monument; thence North 03 deg. 20' 47" East 709.19 feet to an iron rod; thence with the southerly line of Constructors, Inc. property South 83 deg. 04' 50" East 1452.84 feet to the point of beginning and containing 33.01 acres, more or less.

Being a portion of the same property conveyed to Sovran Bank/Central South, a Tennessee Banking corp. by deed from Marshall L. Hix, Substitute Trustee, of record in Book 8089, page 286, in Register's Office for Davidson County, Tennessee.

TO HAVE AND TO HOLD said tract or parcel of land together with all the improvements thereon and the appurtenances thereunto belonging unto the said Grantee, its successors and assigns, in fee simple, forever.

GRANTOR COVENANTS with the said Grantee that it is lawfully seized and possessed of said property, that it has a good and lawful right to sell and convey the same, and that it is free from any lien or encumbrance whatsoever, except for applicable zoning and building regulations, all visible easements, restrictions and limitations of record, and 1990 real estate taxes, which are to be prorated.

GRANTOR FURTHER COVENANTS with the said Grantee and binds itself, its successors and assigns, to warrant and forever defend the title thereto of said tract or parcel of land to the said Grantee, its successors and assigns, against the lawful claims and demands of all persons whomsoever.

ALL warranties of Grantor herein contained are expressly limited to those persons or parties claiming by, through or under Grantor.

WITNESS this the 30th day of May, 1990.

GRANTOR:

SOVRAN BANK/CENTRAL SOUTH

By: J. Hunter Atkins,
Executive Vice-President

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

Personally appeared before me, Malinda White, a Notary Public for the state and county aforesaid, J. Hunter Atkins, with whom I am personally acquainted, and who acknowledged, upon oath, that he executed the within instrument for the purposes therein contained, and who further acknowledged that he is the Executive Vice-President of Sovran Bank/Central South, the maker, and is authorized by the maker to execute this instrument on behalf of the maker.

WITNESS my hand and seal at office this 30th day of May, 1990.



Malinda White
NOTARY PUBLIC

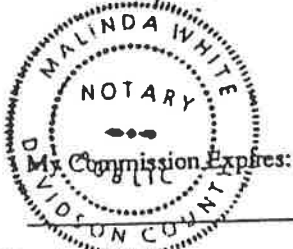
My Commission Expires May 8, 1991

STATE OF TENNESSEE)
COUNTY OF DAVIDSON)

The actual consideration for the transfer or value of the property transferred,
whichever is greater, is \$600,000.00.

NCIst
AFFIANT

Sworn to and subscribed before me on this 30th day of May, 1990.



Malinda White
NOTARY PUBLIC

My Commission Expires May 8, 1991

30047

IDENTIF. REFERENCE

MAY 31 3 46 PM '90

FELIX Z. WILSON II REGISTER
DAVIDSON COUNTY TN.

5206 05/31 0101 03CHECK 1990-00

(SUMMIT MEDICAL CENTER S42)

BOOK 8290 PAGE 123

THIS DOCUMENT PREPARED BY:
Joseph B. Pitt, Jr., Attorney
315 Deaderick Street, Suite 105
First American Center
Nashville, TN 37219
00262828

BOX 35

IDENTIF. PREFERENCE
FEB 8 4 19 PM '91
FELIX Z. WILSON III, CLERK
DAVIDSON COUNTY TN.

91727

WARRANTY DEED

ADDRESS NEW OWNER:

SEND TAX BILLS TO:

MAP/PARCEL

HCA Health Services of
Tennessee, Inc.
One Park Plaza
Nashville, TN 37203

SAME

Map 86;
Parcel 64

5496 02/08 0101 03CHECK 1055.50

FOR AND IN CONSIDERATION OF THE SUM OF Ten and No/100
Dollars (\$10.00), Cash in hand paid by HCA Health Services of
Tennessee, Inc., and other good and valuable considerations,
accepted as cash, the receipt and sufficiency of which are hereby
acknowledged, Constructors, Inc., has this day bargained and sold,
and does hereby transfer and convey unto the said HCA Health
Services of Tennessee, Inc., the Grantee herein, its (successors),
and assigns, certain real estate in Davidson County, Tennessee, as
follows:

(See Exhibit "A" attached hereto.)

Whenever used, the singular number shall include the plural, the plural the singular and the use of any gender shall be applicable to all genders.

Witness our hands this 8th day of February, 1991, the corporate party, if any, having caused its name to be signed hereto by its duly authorized officers on said day and date.

Constructors, Inc.

By:

William R. Carter
William R. Carter

Its: Agent

STATE OF TENNESSEE)
)
COUNTY OF DAVIDSON)

Before me, Cynthia A. SHRIVER, a Notary Public of the State and County aforesaid, personally appeared William R. Carter, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who, upon oath, acknowledged himself to be Agent of Constructors, Inc., the within named bargainor, a corporation, and that he as such Agent, being authorized so to do, executed the foregoing instrument for the purpose therein contained, by signing the name of the corporation by himself as Agent.

STATE OF TENNESSEE)

COUNTY OF DAVIDSON)

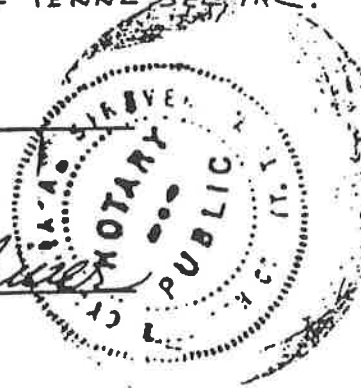
The actual consideration or value whichever is greater, for this transfer is \$315,000.00.

Subscribed and sworn to before me this the 8th day of February, 1991.

MCA HEALTH SERVICES OF TENNESSEE, INC.

Charles J. Ramsey
Affiant

Christopher A. Shivers
Notary



My commission expires: 1/23/94

This is unimproved property, known as Albee Drive, Nashville, Tennessee.

TO HAVE AND TO HOLD said real estate, with the appurtenance, estate, title and interest thereto belonging, to the Grantee, its (successors), and assigns, forever we covenant that we are lawfully seized and possessed of said real estate in fee simple, have a good right to convey it, and that the same is unencumbered except for 1991 taxes and matters shown on Survey of Jimmy W. Springer, dated January 21, 1991.

We further covenant and bind ourselves, and our representatives, to warrant and forever defend the title to said real estate to said Grantee, its (successors), and assigns, against the lawful claims of all persons.

Witness my hand and seal, at office in Nashville, Tennessee,
this 8th day of February, 1991.

Cynthia A. Brown
Notary Public

My commission expires: 1/23/94



PROPERTY DESCRIPTION

Being a tract of land lying in the 14th Councilmanic District of Nashville, Davidson County, Tennessee and being more particularly described as follows:

Beginning at an existing iron rod, said iron rod being the northwest corner of the Sovran Bank/Central South property as of record in Deed Book 8089, Page 286, R.O.D.C., Tennessee, said iron rod also being the northeast corner of the Hermitage Meadows, Stage Two property as of record in Plat Book 5200, Page 507, R.O.D.C., Tennessee; thence with the northerly line of Hermitage Meadows North $83^{\circ}15'28''$ West 229.73 feet to an iron rod being the southwesterly corner of the property described herein; thence leaving said northerly line and with the easterly line of the Richard P. Sands, ET UX property as of record in Deed Book 2394, Page 479, R.O.D.C., Tennessee North $01^{\circ}44'15''$ East 182.81 feet to an iron rod in the southerly line of Chapelwood Section 2 property as of record in Plat Book 5200, Page 83, R.O.D.C., Tennessee; thence with said southerly line South $41^{\circ}32'12''$ East 150.17 feet to an iron rod; thence North $37^{\circ}39'38''$ East 126.07 feet to a concrete monument lying in the southerly margin of a 40 foot right-of-way dedication of Albee Drive as of record in Plat Book 6050, Page 23, R.O.D.C., Tennessee; thence with said southerly margin South $51^{\circ}54'21''$ East 27.16 feet to an iron rod; thence North $37^{\circ}35'59''$ East 159.92 feet to a concrete monument, said monument being the easterly corner of the Zone Lot Division of Lots 26, 27 and 69 Chapelwood Section 2 as of record in Plat Book 5200, Page 715, R.O.D.C., Tennessee; thence North $33^{\circ}40'10''$ West 138.98 feet to an iron rod, said iron rod being the northwesterly corner of the property described herein; thence with the southerly line of the John W. Hayes, Sr. property as of record in Deed Book 3462, Page 557, R.O.D.C., Tennessee South $82^{\circ}50'00''$ East 1389.69 feet to a point in the westerly right-of-way margin of an access ramp to Interstate 40 as shown on the State of Tennessee Department of Transportation Bureau of Highways Project Number IR-40-5(87)221, said point also being the northeasterly corner of the property described herein; thence with said westerly right-of-way margin South $21^{\circ}03'54''$ East 149.00 feet to a point; thence South $02^{\circ}48'15''$ East 285.66 feet to an iron rod, said iron rod being the southeasterly corner of the property described herein and also being the northeasterly corner of the Sovran Bank/Central South property; thence leaving the westerly margin of said access ramp and with the northerly margin of the Sovran Bank/Central South property North $83^{\circ}04'50''$ West 1452.84 feet to the point of beginning, containing 14.293 acres more or less.

Being a portion of the same property conveyed to Constructors, Inc. as of record in Deed Book 5777, Page 846, R.O.D.C., Tennessee.

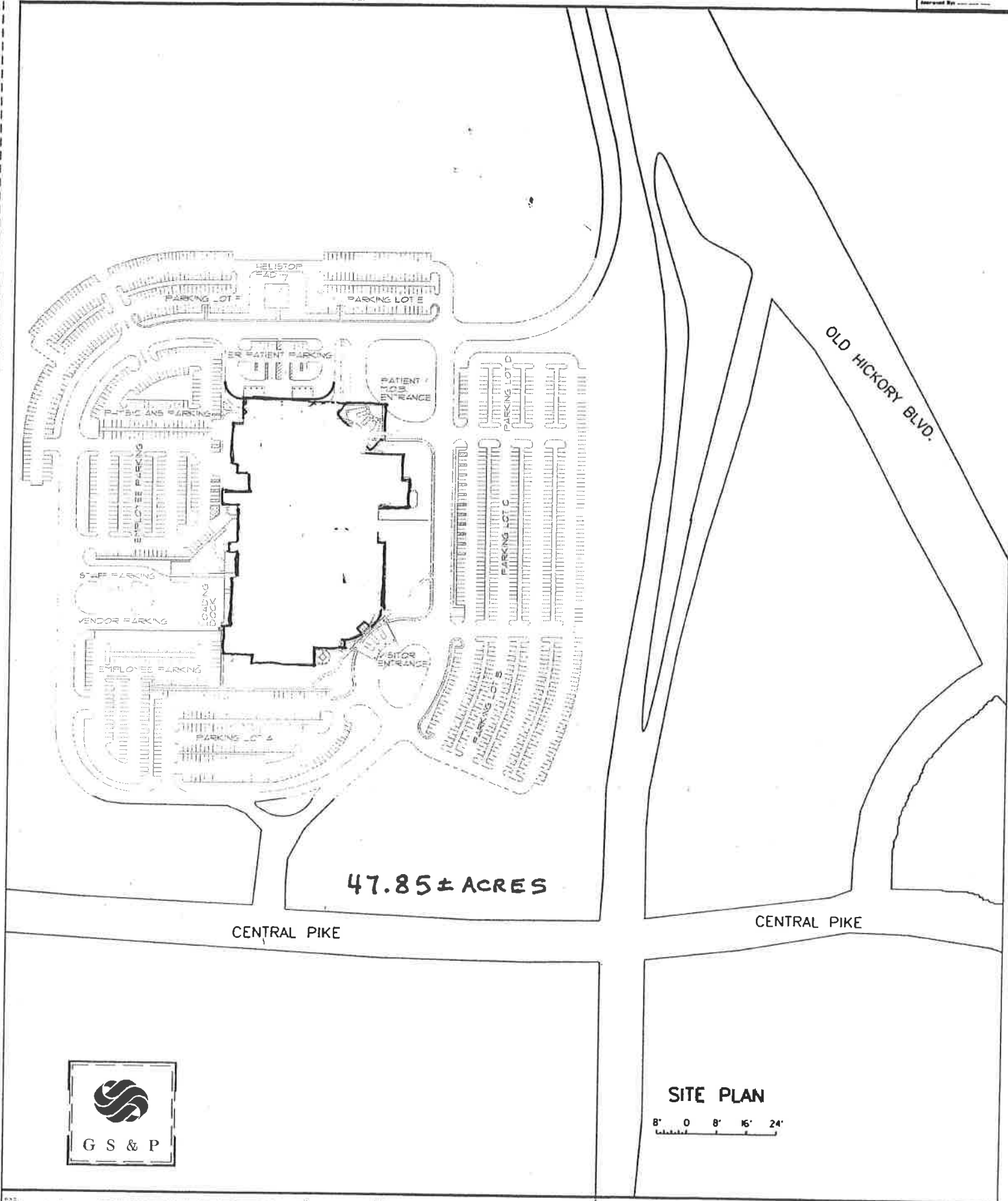
The above description taken from survey of Jimmy W. Springer, TN RLS #825, Gresham Smith and Partners, 3310 West End, Nashville TN 37203, dated January 20, 1991, revised January 23, 1991.

**B.II.A.--Square Footage and Costs Per Square
Footage Chart**



**SUMMIT MEDICAL CENTER
3RD FLOOR REHABILITATION AND
TOTAL JOINT UNIT RENOVATION
GS&P Project No. 29103.00
April 8, 2013**

B.III.--Plot Plan

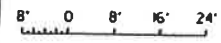


47.85 ± ACRES

CENTRAL PIKE

CENTRAL PIKE

SITE PLAN

[illegible]

PRELIMINARY
NOT FOR
CONSTRUCTION

SUMMIT
MEDICAL CENTER

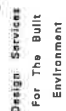
G R E E N H A M
S M I T H A N D
P A R T N E R S

Design Services
For The Built
Environment

Atlanta Birmingham
Charlotte Cincinnati
Columbus Dallas
Fort Lauderdale
Knoxville Jackson
Jacksonville Louisville
Memphis Nashville
Richmond Tampa



B.IV.--Floor Plan



**Design Services
For The Built
Environment**

Atlanta
Birmingham
Cincinnati
Columbus
Dallas
Fort Lauderdale
Jackson
Jacksonville
Knoxville
Louisville
Memphis
Nashville
Richmond
Tampa

GRESHAM
SMITH AND
PARTNERS

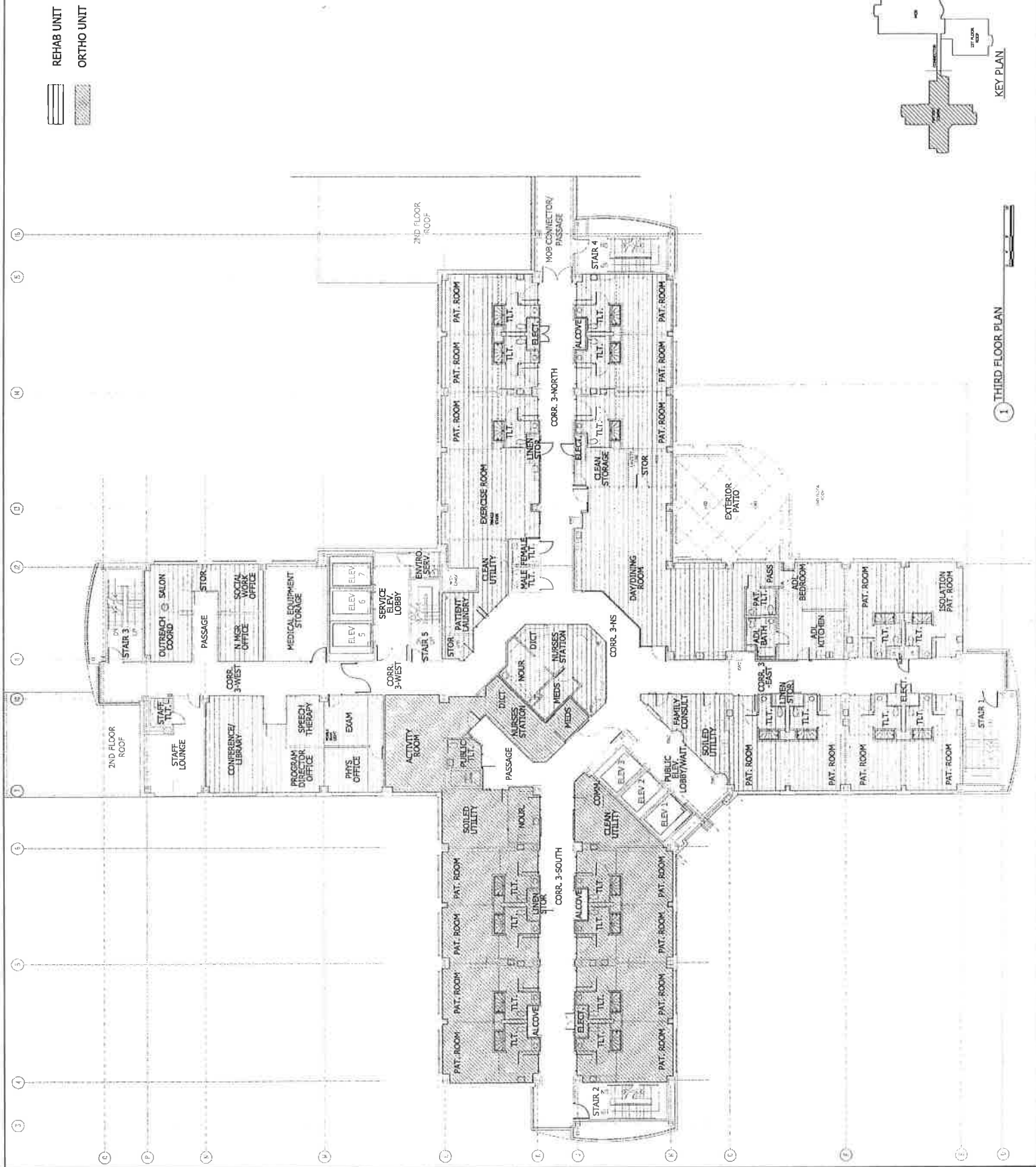
CONTRACT DOCUMENTS

**Summit Medical
Center**

Third Floor Rehabilitation & Total Joint Unit Renovations

[illegible]

LB 60CM-8
RQ/ECT/26 123-22
11/28/13



① THIRD FLOOR PLAN

KEY PLAN

• USER •



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- Cincinnati
- Columbus
- Dallas
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- Jackson
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- Knoxville
- Los Angeles
- Memphis
- Nashville
- Richmond
- Tampa

GRESHAM
SMITH AND
PARTNERS

CONTRACT
DOCUMENTS

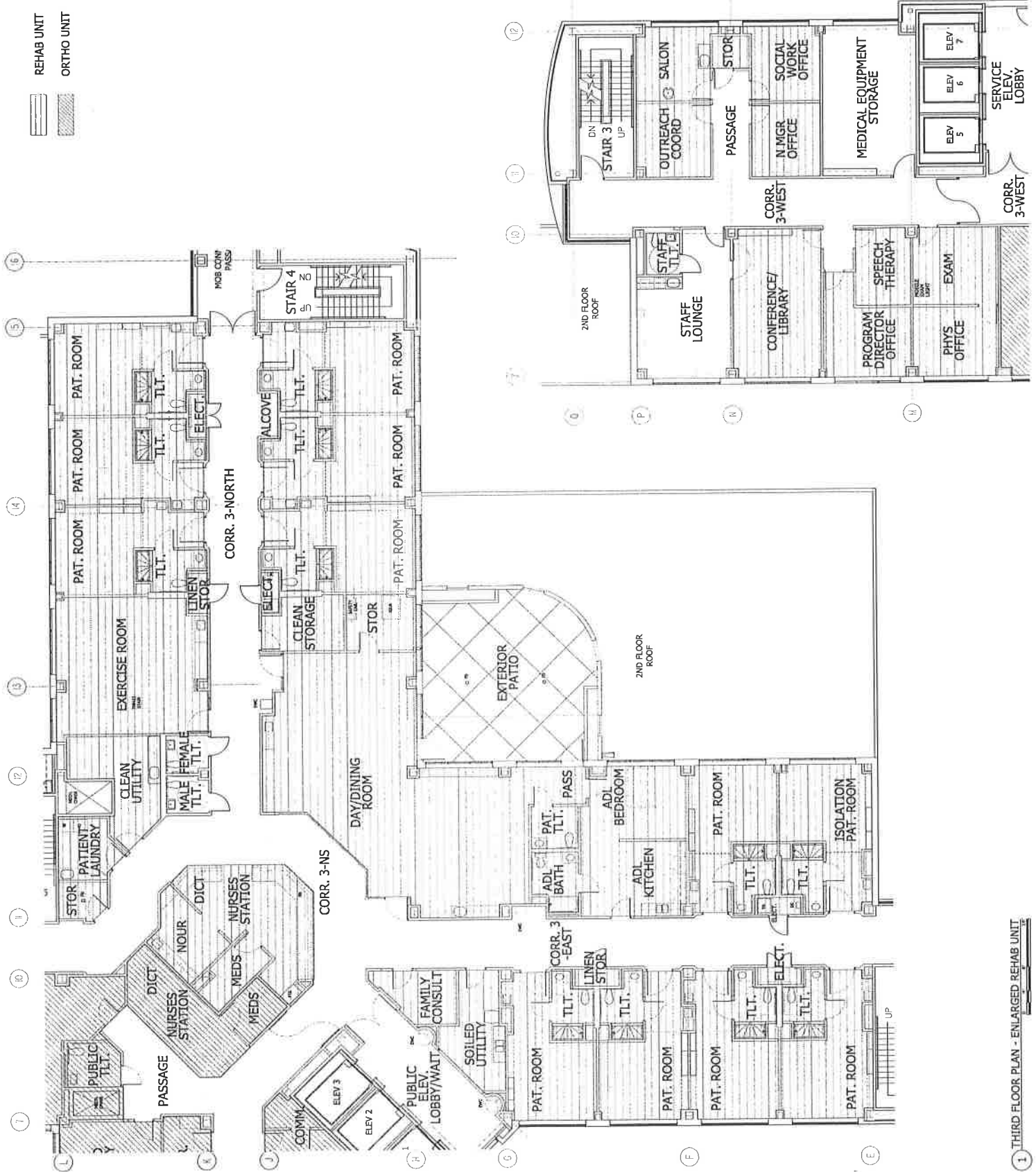
Summit Medical
Center
Hermitage, TN

Third Floor
Rehabilitation &
Total Joint Unit
Renovations

REVISION	No.	Date	Description

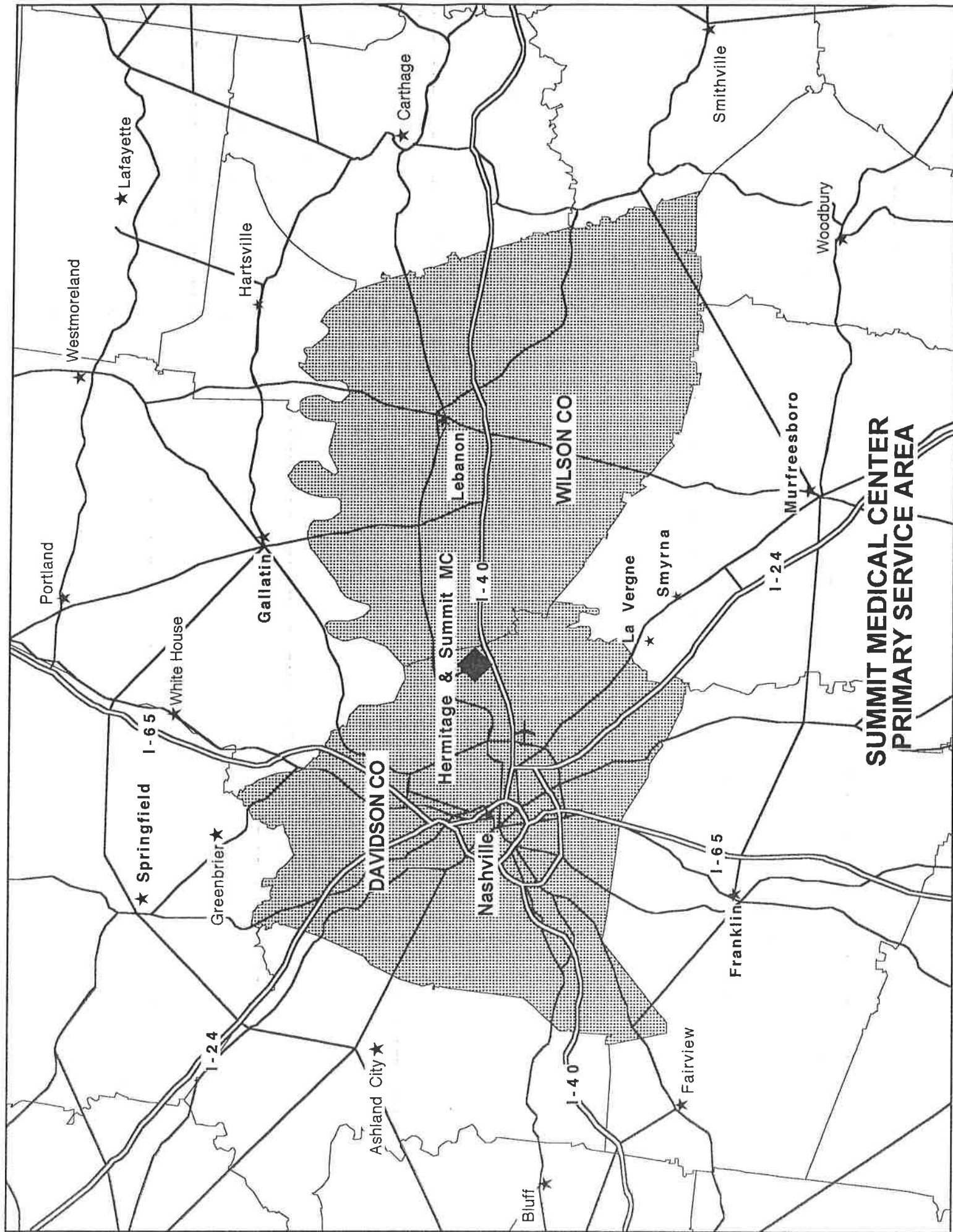
DATE: 04/27/13

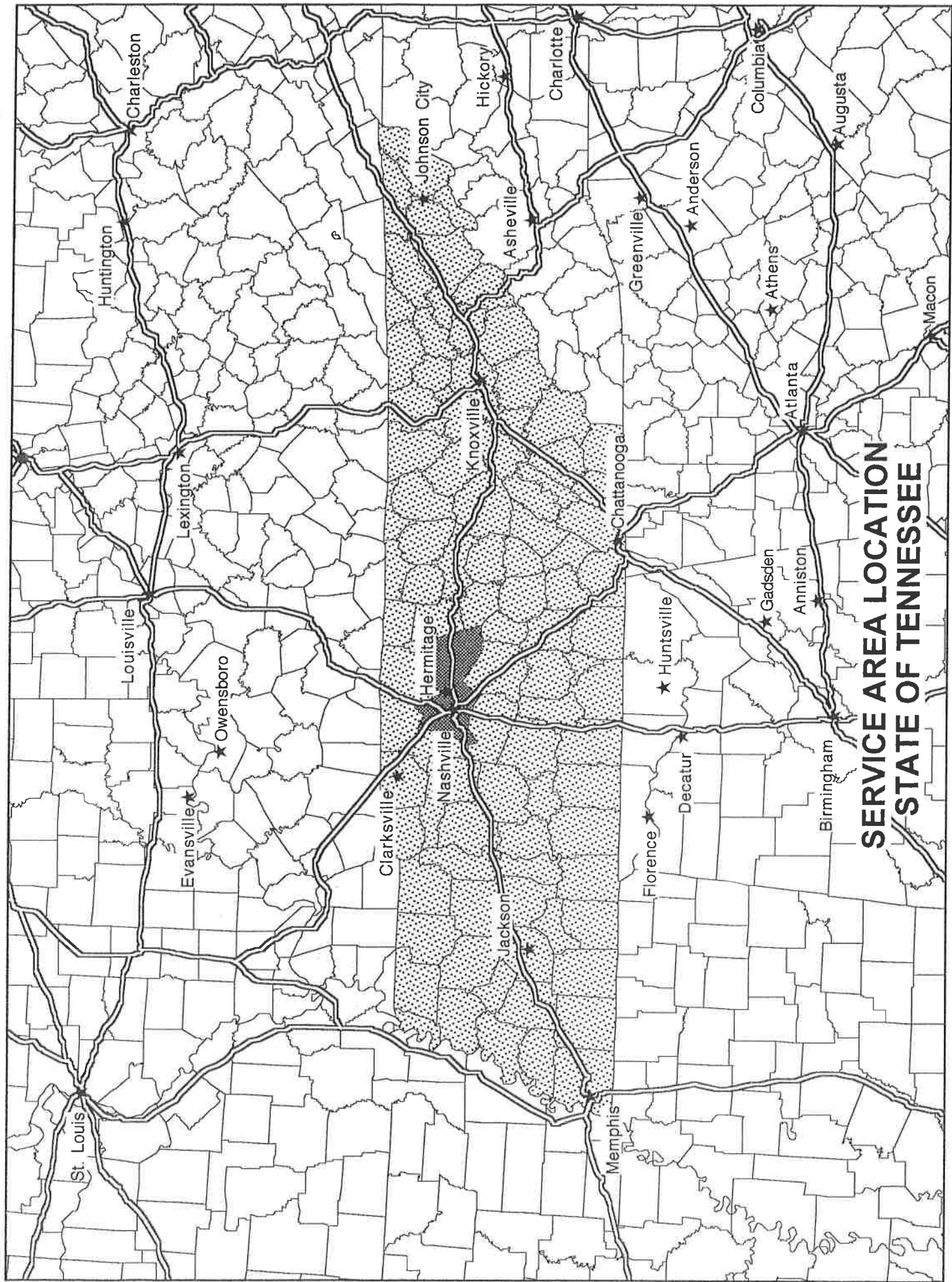
REHAB UNIT
ORTHO UNIT



1 THIRD FLOOR PLAN - ENLARGED REHAB UNIT

C, Need--3
Service Area Maps





SERVICE AREA LOCATION
STATE OF TENNESSEE

C, Economic Feasibility--1
Documentation of Construction Cost Estimate



G R E S H A M
S M I T H A N D
P A R T N E R S

April 8, 2013

Mr. Jeff Whitehorn, CHE
Chief Executive Officer
Summit Medical Center
5655 Frist Boulevard
Hermitage, TN 37076

Subject: Verification of Construction Cost Estimates
3rd Floor InPatient Rehabilitation Unit
Summit Medical Center
Hermitage, Tennessee
GS&P Project No. 29103.00 / 00.3

Gresham Smith and Partners, Inc., an architectural/engineering firm in Nashville, Tennessee, has reviewed the cost data provided by HCA for the above referenced project, for which this firm has provided a preliminary design. The stated renovated construction cost for this 22,218 SF area is \$3,293,660. [In providing opinions of probable construction cost, the Client understands that the Consultant has no control over the cost or availability of labor, equipment or materials, or over market conditions or the Contractor's method of pricing, and that the Consultant's opinions of probable construction costs are made on the basis of the Consultant's professional judgment and experience. The Consultant makes no warranty, express or implied, that the bids or the negotiated cost of the Work will not vary from the Consultant's opinion of probable construction cost.]

It is our opinion that at this time, the projected renovated construction cost is reasonable for this type and size of project and compares appropriately with similar projects in this market.

The building codes applicable to this project will be:

International Building Code, 2006
NFPA 101 Life Safety Code, 2006
FGI Guidelines for Design & Construction of Healthcare Facilities, 2010
ANSIA-117.1, 2003

Sincerely,

Kenneth A. Priest, AIA, NCARB, LEED AP
License No. 16010

bma

Design Services For The Built Environment

1400 Nashville City Center / 511 Union Street / Nashville, Tennessee 37219-1733 / Phone 615.770.8100 / www.greshamsmith.com

C, Economic Feasibility--2
Documentation of Availability of Funding

April 10, 2013

Melanie M. Hill, Executive Director
Tennessee Health Services and Development Agency
Andrew Jackson State Office Building, Suite 850
500 Deaderick Street
Nashville, TN 37243

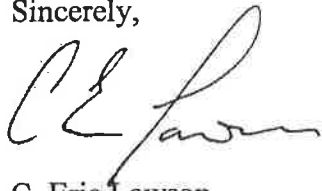
Re: CON Application for 12 bed Acute Rehabilitation Unit and 8 bed Med/Surg Unit

Dear Ms. Hill,

TriStar Summit Medical Center is applying for a Certificate of Need to add the subject service beginning next January.

As Chief Financial Officer of TriStar Health System, the HCA Division Office to which this facility will belong, I am writing to confirm that HCA Holdings, Inc. will provide through TriStar the approximately \$4,934,000 in capital costs required to implement this project. HCA Holdings, Inc.'s financial statements are provided in the application.

Sincerely,



C. Eric Lawson
Chief Financial Officer
TriStar Division of HCA

C, Economic Feasibility--10
Financial Statements

Dec - 2012

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Financial Statements - Balance Sheet

All Entities

Report ID: ALCFS010

Month			Year to Date			
Begin	Change	Ending	Begin	Change	Ending	
CURRENT ASSETS						
10,361	22,637	32,998	Cash & Cash Equivalents	-89,980	122,978	32,998
PATIENT ACCOUNTS RECEIVABLES						
46,294,146	1,492,717	47,786,863	Marketable Securities			
			Patient Receivables	41,961,579	5,825,284	47,786,863
-25,242,146	-617,825	-25,859,971	Less Allow for Govt Receivables			
21,052,000	874,892	21,926,892	Less Allow - Bad Debt	-20,930,460	-4,929,511	-25,859,971
			Net Patient Receivables	21,031,119	895,773	21,926,892
FINAL SETTLEMENTS						
-260,961	0	-260,961	Due to/from Govt Programs	217,738	-478,699	-260,961
			Allowances Due Govt Programs			
-260,961	0	-260,961	Net Final Settlements	217,738	-478,699	-260,961
20,791,039	874,892	21,665,931	Net Accounts Receivables	21,248,857	417,074	21,665,931
5,020,388	-36,555	4,983,833	Inventories	4,987,414	-3,581	4,983,833
828,717	1,879,312	2,708,029	Prepaid Expenses	981,317	1,726,712	2,708,029
95,170	-6,199	88,971	Other Receivables	37,582	51,389	88,971
26,745,675	2,734,087	29,479,762	Total Current Assets	27,165,190	2,314,572	29,479,762
PROPERTY, PLANT & EQUIPMENT						
6,124,510	0	6,124,510	Land	6,124,510	0	6,124,510
48,526,104	-45,000	48,481,104	Bldgs & Improvements	48,018,314	462,790	48,481,104
84,781,003	238,887	85,019,890	Equipment - Owned	84,501,202	518,688	85,019,890
1,411,670	752,802	2,164,472	Equipment - Capital Leases	1,411,670	752,802	2,164,472
379,542	-258,282	121,260	Construction in Progress		121,260	121,260
141,222,829	688,407	141,911,236	Gross PP&E	140,055,696	1,855,540	141,911,236
-93,801,376	-550,859	-94,352,235	Less Accumulated Depreciation	-88,993,708	-5,358,527	-94,352,235
47,421,453	137,548	47,559,001	Net PP&E	51,061,988	-3,502,987	47,559,001
OTHER ASSETS						
			Investments			
0	0	0	Notes Receivable	0	0	0
10,027,657	0	10,027,657	Intangible Assets - Net	10,027,657	0	10,027,657
			Investments in Subsidiaries			
			Other Assets			
10,027,657	0	10,027,657	Total Other Assets	10,027,657	0	10,027,657
84,194,785	2,871,635	87,066,420	Grand Total Assets	88,254,835	-1,188,415	87,066,420
CURRENT LIABILITIES						
3,567,531	1,854,638	5,422,169	Accounts Payable	3,451,954	1,970,199	5,422,153
4,238,328	363,342	4,601,670	Accrued Salaries	3,821,214	780,456	4,601,670
1,521,449	11,931	1,533,380	Accrued Expenses	1,385,335	148,045	1,533,380
16,453	-182	16,271	Accrued Interest	18,332	-2,061	16,271
			Distributions Payable			
913,729	132,726	1,046,455	Curr Port - Long Term Debt	864,510	181,945	1,046,455
12,808	1,582	14,390	Other Current Liabilities	12,229	2,161	14,390
			Income Taxes Payable			
10,270,298	2,364,037	12,634,335	Total Current Liabilities	9,553,574	3,080,745	12,634,319
LONG TERM DEBT						
2,586,519	544,524	3,131,043	Capitalized Leases	3,426,203	-295,160	3,131,043
-235,513,132	-8,606,477	-244,119,609	Inter/Intra Company Debt	-209,585,656	-34,533,953	-244,119,609
			Other Long Term Debts			
-232,926,613	-8,061,953	-240,988,566	Total Long Term Debts	-206,159,453	-34,829,113	-240,988,566
DEFERRED CREDITS AND OTHER LIAB						
			Professional Liab Risk			
93,008	-1,788	91,220	Deferred Incomes Taxes			
93,008	-1,788	91,220	Long-Term Obligations	94,674	-3,454	91,220
			Total Other Liabilities & Def	94,674	-3,454	91,220
EQUITY						
1,000	0	1,000	Common Stock - par value	1,000	0	1,000
23,562,553	0	23,562,553	Capital in Excess of par value	23,562,553	0	23,562,553
246,490,851	0	246,490,851	Retained Earnings - current yr	291,765,889	0	291,765,889
36,703,688	8,571,339	45,275,027	Net Income Current Year			
			Distributions			
306,758,092	8,571,339	315,329,431	Other Equity			
			Total Equity	284,766,040	30,563,407	315,329,447
84,194,785	2,871,635	87,066,420	Total Liabilities and Equity	88,254,835	-1,188,415	87,066,420

F00025 - SUMMIT MED CTR-TOT HOS OPS - S031

Dec - 2012

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Financial Statements - Income Statement

All Entities

Report ID: ALCFS008

Month								Year to Date						
Actual	Budget	Bud Var	Var %	Prior Year	PY Var	Var %		Actual	Budget	Bud Var	Var %	Prior Year	PY Var	Var %
REVENUES														
6,532	6,412	120	1.88%	6,192	340	5.49%	Inpatient Revenue Routine Services	70,651	69,606	1,045	1.50%	62,552	8,098	12.95%
31,782	30,907	875	2.83%	30,930	852	2.76%	Inpatient Revenue Ancillary Services	349,226	337,499	11,727	3.47%	309,122	40,104	12.97%
38,315	37,319	996	2.67%	37,122	1,193	3.21%	Inpatient Gross Revenue	419,876	407,105	12,771	3.14%	371,674	48,202	12.97%
29,710	27,061	2,649	9.79%	26,716	2,994	11.21%	Outpatient Gross Revenue	335,856	309,225	26,631	8.61%	283,735	52,121	18.37%
68,025	64,380	3,644	5.66%	63,838	4,187	6.56%	Total Patient Revenue	755,732	716,330	39,402	5.50%	655,409	100,323	15.31%
81	89	(7)	-8.35%	86	(5)	-5.55%	Other Revenue	1,141	1,101	40	3.63%	1,088	52	4.79%
68,106	64,469	3,637	5.64%	63,924	4,182	6.54%	Gross Revenue	756,873	717,431	39,442	5.50%	656,497	100,376	15.29%
DEDUCTIONS														
15,797	16,919	(1,122)	-6.63%	14,996	800	5.34%	Total CY CA - Medicare (1,2)	185,434	186,175	(741)	-0.40%	166,932	18,502	11.08%
136	223	(87)	-39.14%	85	50	59.01%	Total CY CA - Medicaid (3)	954	2,482	(1,529)	-61.58%	1,697	(743)	-43.79%
625	674	(50)	-7.35%	806	(181)	-22.49%	Total CY CA - Champus (8)	6,137	7,489	(1,351)	-18.04%	6,740	(602)	-8.94%
(1,175)		(1,175)		(67)	(1,108)	1,652.21%	Prior Year Contractuals	(1,958)	(909)	(1,049)	-115.39%	(1,281)	(677)	-52.82%
29,814	26,772	3,042	11.36%	28,237	1,578	5.59%	Total CY CA - Mgd Care (7,8,9,12,13)	323,353	296,550	26,803	9.04%	272,657	50,696	18.59%
257	356	(99)	-27.91%	859	(603)	-70.12%	Charity	5,391	4,021	1,370	34.08%	3,824	1,567	40.99%
1,454	1,873	(420)	-22.40%	1,695	(241)	-14.24%	Bad Debt	18,488	14,609	3,879	26.56%	13,078	5,410	41.37%
4,855	4,240	615	14.50%	2,591	2,264	87.39%	Other Deductions	52,987	46,515	6,472	13.91%	39,800	13,187	33.13%
51,762	51,057	704	1.38%	49,202	2,560	5.20%	Total Revenue Deductions (incl Bad Debt)	590,786	556,931	33,856	6.08%	503,446	87,340	17.35%
16,344	13,412	2,933	21.87%	14,722	1,622	11.02%	Cash Revenue	166,087	160,500	5,587	3.48%	153,051	13,036	8.52%
OPERATING EXPENSES														
3,943	3,740	203	5.42%	3,770	172	4.57%	Salaries and Wages	44,152	43,522	630	1.45%	42,614	1,538	3.61%
8	21	(13)	-62.61%	8	8		Contract Labor	138	247	(110)	-44.37%		138	
935	1,009	(74)	-7.35%	958	(23)	-2.43%	Employee Benefits	12,542	12,004	538	4.48%	11,539	1,003	8.69%
1,926	2,198	(272)	-12.37%	2,450	(524)	-21.38%	Supply Expense	24,857	25,729	(872)	-3.39%	25,181	(324)	-1.29%
278	346	(68)	-19.62%	241	37	15.29%	Professional Fees	3,778	4,116	(339)	-8.23%	2,316	1,462	63.10%
1,411	1,294	116	8.98%	1,204	207	17.19%	Contract Services	15,868	14,931	937	6.28%	13,570	2,298	16.94%
308	319	(11)	-3.44%	330	(22)	-6.58%	Repairs and Maintenance	3,742	3,839	(97)	-2.52%	3,455	287	8.30%
142	138	4	3.25%	137	6	4.30%	Rents and Leases	1,712	1,650	61	3.72%	1,911	(199)	-10.43%
172	166	6	3.63%	170	2	1.11%	Utilities	2,035	2,241	(206)	-9.18%	2,079	(44)	-2.10%
(242)	(218)	(24)	-11.07%	(356)	114	32.03%	Insurance	2,281	2,306	(25)	-1.08%	1,772	508	28.68%
							Investment Income							
(6)	97	(103)	-106.35%	94	(100)	-106.58%	Non-Income Taxes	1,339	1,168	171	14.65%	1,041	298	28.62%
466	204	262	128.55%	272	194	71.04%	Other Operating Expense	2,349	2,675	(326)	-12.17%	2,564	(214)	-8.35%
9,341	9,315	26	0.28%	9,271	70	0.76%	Cash Expense	114,792	114,427	364	0.32%	108,041	6,751	6.25%
7,003	4,096	2,907	70.96%	5,451	1,552	28.48%	EBITDA	51,295	46,073	5,222	11.34%	45,010	6,285	13.96%
CAPITAL AND OTHER COSTS														
626	596	30	5.00%	626	0	0.03%	Depreciation & Amortization	7,489	7,478	12	0.16%	7,017	472	6.73%
							Other Non-Operating Expenses							
(1,008)	(2,303)	1,295	56.22%	7,856	(8,864)	-112.83%	Interest Expense	(11,171)	(25,125)	13,955	55.54%	(9,907)	(1,263)	-12.75%
(1,186)	980	(2,167)	-221.00%	(1,111)	(75)	-6.76%	Mgmt Fees and Markup Cost	9,701	11,766	(2,064)	-17.54%	10,589	(887)	-8.38%
							Minority Interest							
(1,568)	(726)	(842)	-116.02%	7,371	(8,939)	-121.28%	Total Capital and Others	6,020	(5,882)	11,902	202.35%	7,699	(1,679)	-21.80%
8,571	4,822	3,749	77.74%	(1,920)	10,491	546.50%	Pretax Income	45,275	51,955	(6,680)	-12.86%	37,312	7,963	21.34%
TAXES ON INCOME														
							Federal Income Taxes							
							State Income Taxes							
							Total Taxes on Income							
8,571	4,822	3,749	77.74%	(1,920)	10,491	546.50%	Net Income	45,275	51,955	(6,680)	-12.86%	37,312	7,963	21.34%

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HCA Reports Third Quarter 2012 Results

NASHVILLE, Tenn.--(BUSINESS WIRE)--Nov. 1, 2012-- HCA Holdings, Inc. (NYSE: HCA) today announced financial and operating results for the third quarter ended September 30, 2012.

Key third quarter metrics (all percentage changes compare 3Q 2012 to 3Q 2011 unless noted):

- Revenues increased 11.1 percent to \$8.062 billion
- Net income attributable to HCA Holdings, Inc. totaled \$360 million, or \$0.78 per diluted share
- Adjusted EBITDA increased 8.6 percent to \$1.533 billion
- Cash flows from operations declined to \$655 million due primarily to changes in working capital items and higher tax payments
- Same facility equivalent admissions increased 2.6 percent while same facility admissions increased 2.1 percent
- Same facility revenue per equivalent admission increased 0.7 percent

HCA Chairman and Chief Executive Officer, Richard M. Bracken, said, "We are pleased with the results of the third quarter. Although we remain in a challenging economic environment, we remain focused on clinical and operational initiatives that position the Company for future changes in the healthcare industry."

Revenues in the third quarter totaled \$8.062 billion, compared to \$7.258 billion in the third quarter of 2011. Third quarter revenue growth was primarily driven by increased volume and the consolidation of our HealthONE venture, which was accounted for under the equity method for periods prior to November 2011. Equivalent admissions increased 8.3 percent, while admissions increased 7.0 percent.

Same facility equivalent admissions increased 2.6 percent in the third quarter of 2012 compared to the prior year period, while same facility admissions increased 2.1 percent. Same facility emergency room visits increased 7.4 percent in the third quarter of 2012 compared to the prior year period.

Revenue per equivalent admission increased 2.5 percent in the third quarter of 2012, primarily reflecting a continuing shift in service and payer mix. The Company's operating expense per equivalent admission increased 3.1 percent from the prior

year's third quarter (2.0 percent on a same facility basis). During the third quarter of 2012, salaries and benefits, supplies and other operating expenses totaled \$6.666 billion, or 82.7 percent of revenues, compared to \$5.965 billion, or 82.1 percent of revenues, in the third quarter of 2011.

Adjusted EBITDA for the third quarter of 2012 increased 8.6 percent to \$1.533 billion compared to \$1.412 billion in the prior year period. Adjusted EBITDA is a non-GAAP financial measure. A table providing supplemental information on Adjusted EBITDA and reconciling net income attributable to HCA Holdings, Inc. to Adjusted EBITDA is included in this release.

Net income attributable to HCA Holdings, Inc. totaled \$360 million, or \$0.78 per diluted share, compared to \$61 million, or \$0.11 per diluted share, in the third quarter of 2011. Results for the third quarter of 2011 include pretax losses on retirement of debt of \$406 million, or \$0.49 per diluted share. The effective tax rate for the third quarter of 2011 was favorably impacted by the finalization of settlements for the 1997 through 2001 tax years. These settlements resulted in a reduction to interest expense related to taxing authority examinations of \$66 million pretax, or \$0.08 per diluted share. (All "per diluted share" disclosures are based upon amounts net of the applicable income taxes.)

Nine Months Ended September 30, 2012

Revenues for the nine months ended September 30, 2012 totaled \$24.579 billion compared to \$21.913 billion in the same period of 2011. Net income attributable to HCA Holdings, Inc. was \$1.291 billion, or \$2.81 per diluted share, compared to \$530 million, or \$1.04 per diluted share, for the first nine months of 2011. Results for the nine months ended September 30, 2011 include pretax losses on retirement of debt of \$481 million, or \$0.60 per diluted share, and a pretax charge for the termination of a management agreement of \$181 million, or \$0.29 per diluted share.

Balance Sheet and Cash Flow

As of September 30, 2012, HCA Holdings, Inc.'s balance sheet reflected cash and cash equivalents of \$472 million, total debt of \$26.933 billion, and total assets of \$27.302 billion. During the third quarter of 2012, capital expenditures totaled \$484 million, excluding acquisitions. Net cash provided by operating activities in the third quarter of 2012 totaled \$655 million compared to \$880 million in the prior year's third quarter. The reduction in cash flows from operating activities was primarily due to reductions of \$145 million from changes in working capital items and \$107 million from higher income taxes.

Special Cash Dividend

On October 23, 2012, the Board of Directors approved a special cash dividend of \$2.50 per share to be paid to stockholders of record as of November 2, 2012 with a payment date of November 16, 2012. The dividend is expected to be funded through borrowings under the Company's credit facilities.

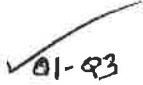
As of September 30, 2012, HCA operated 162 hospitals and 112 freestanding surgery centers.

Earnings Conference Call

HCA will host a conference call for investors at 9:00 a.m. Central Daylight Time today. All interested investors are invited to access a live audio broadcast of the call via webcast. The broadcast also will be available on a replay basis beginning this

Diluted earnings per share	\$0.78	\$0.11
Shares used in computing diluted earnings per share (000)	459,515	527,515
Comprehensive income (loss) attributable to HCA Holdings, Inc.	<u>\$369</u>	<u>(\$24)</u>

HCA Holdings, Inc.**Condensed Consolidated Comprehensive Income Statements****For the Nine Months Ended September 30, 2012 and 2011****(Dollars in millions, except per share amounts)**

	 9-30-2012		2011	
	Amount	Ratio	Amount	Ratio
Revenues before provision for doubtful accounts	\$ 27,245		\$ 24,077	
Provision for doubtful accounts	<u>2,666</u>		<u>2,164</u>	
Revenues	24,579	100.0 %	21,913	100.0 %
Salaries and benefits	11,224	45.7	9,948	45.4
Supplies	4,216	17.2	3,833	17.5
Other operating expenses	4,496	18.2	4,017	18.3
Electronic health record incentive income	(256)	(1.0)	(90)	(0.4)
Equity in earnings of affiliates	(26)	(0.1)	(217)	(1.0)
Depreciation and amortization	1,254	5.1	1,078	4.9
Interest expense	1,336	5.4	1,572	7.2
Losses (gains) on sales of facilities	(4)	-	3	-
Losses on retirement of debt	-	-	481	2.2
Termination of management agreement	-	-	181	0.8
	<u>22,240</u>	<u>90.5</u>	<u>20,806</u>	<u>94.9</u>
Income before income taxes	2,339	9.5	1,107	5.1
Provision for income taxes	<u>760</u>	<u>3.1</u>	<u>307</u>	<u>1.5</u>

Net income	1,579	6.4	800	3.6
Net income attributable to noncontrolling interests	288	1.1	270	1.2
Net income attributable to HCA Holdings, Inc.	<u>\$ 1,291</u>	<u>5.3</u>	<u>\$ 530</u>	<u>2.4</u>
Diluted earnings per share	\$ 2.81		\$ 1.04	
Shares used in computing diluted earnings per share (000)	458,822		509,583	
Comprehensive income attributable to HCA Holdings, Inc.	<u>\$ 1,291</u>		<u>\$ 534</u>	

HCA Holdings, Inc.

Supplemental Non-GAAP Disclosures

Operating Results Summary

(Dollars in millions, except per share amounts)

	For the Nine Months			
	Third Quarter		Ended September 30,	
	2012	2011	2012	2011
Revenues	\$ 8,062	\$ 7,258	24,579	\$ 21,913
Net income attributable to HCA Holdings, Inc.	\$ 360	\$ 61	\$ 1,291	\$ 530
Losses (gains) on sales of facilities (net of tax)	(5)	1	(3)	4
Losses on retirement of debt (net of tax)	-	256	-	303
Termination of management agreement (net of tax)	-	-	-	149
Net income attributable to HCA Holdings, Inc., excluding losses (gains) on sales of facilities, losses on retirement of debt and termination of management agreement (a)	355	318	1,288	986
Depreciation and amortization	417	362	1,254	1,078
Interest expense	446	519	1,336	1,572
Provision for income taxes	220	128	759	516
Net income attributable to noncontrolling interests	95	85	288	270
Adjusted EBITDA (a)	\$ 1,533	\$ 1,412	\$ 4,925	\$ 4,422

Diluted earnings per share:

Net income attributable to HCA Holdings, Inc.	\$ 0.78	\$ 0.11	\$ 2.81	\$ 1.04
Losses (gains) on sales of facilities	(0.01)	-	-	0.01
Losses on retirement of debt	-	0.49	-	0.60
Termination of management agreement	-	-	-	0.29
Net income attributable to HCA Holdings, Inc., excluding losses (gains) on sales of facilities, losses on retirement of debt and termination of management agreement (a)	\$ 0.77	\$ 0.60	\$ 2.81	\$ 1.94
Shares used in computing diluted earnings per share (000)	459,515	527,515	458,822	509,583

(a) Net income attributable to HCA Holdings, Inc., excluding losses (gains) on sales of facilities, losses on retirement of debt and termination of management agreement and Adjusted EBITDA should not be considered as measures of financial performance under generally accepted accounting principles ("GAAP"). We believe net income attributable to HCA Holdings, Inc., excluding losses (gains) on sales of facilities, losses on retirement of debt and termination of management agreement and Adjusted EBITDA are important measures that supplement discussions and analysis of our results of operations. We believe it is useful to investors to provide disclosures of our results of operations on the same basis used by management. Management relies upon net income attributable to HCA Holdings, Inc., excluding losses (gains) on sales of facilities, losses on retirement of debt and termination of management agreement and Adjusted EBITDA as the primary measures to review and assess operating performance of its hospital facilities and their management teams.

Management and investors review both the overall performance (including; net income attributable to HCA Holdings, Inc., excluding losses (gains) on sales of facilities, losses on retirement of debt and termination of management agreement and GAAP net income attributable to HCA Holdings, Inc.) and operating performance (Adjusted EBITDA) of our health care facilities. Adjusted EBITDA and the Adjusted EBITDA margin (Adjusted EBITDA divided by revenues) are utilized by management and investors to compare our current operating results with the corresponding periods during the previous year and to compare our operating results with other companies in the health care industry. It is reasonable to expect that losses (gains) on sales of facilities and losses on retirement of debt will occur in future periods, but the amounts recognized can vary significantly from period to period, do not directly relate to the ongoing operations of our health care facilities and complicate period comparisons of our results of operations and operations comparisons with other health care companies.

Net income attributable to HCA Holdings, Inc., excluding losses (gains) on sales of facilities, losses on retirement of debt and termination of management agreement and Adjusted EBITDA are not measures of financial performance under GAAP, and should not be considered as alternatives to net income attributable to HCA Holdings, Inc. as a measure of operating

performance or cash flows from operating, investing and financing activities as a measure of liquidity. Because net income attributable to HCA Holdings, Inc., excluding losses (gains) on sales of facilities, losses on retirement of debt and termination of management agreement and Adjusted EBITDA are not measurements determined in accordance with GAAP and are susceptible to varying calculations, net income attributable to HCA Holdings, Inc., excluding losses (gains) on sales of facilities, losses on retirement of debt and termination of management agreement and Adjusted EBITDA, as presented, may not be comparable to other similarly titled measures presented by other companies.

HCA Holdings, Inc.
Condensed Consolidated Balance Sheets
(Dollars in millions)

September 30, 2012	June 30, 2012	December 31, 2011
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ASSETS

Current assets:

Cash and cash equivalents	\$ 472	\$ 518	\$ 373
Accounts receivable, net	4,598	4,485	4,533
Inventories	1,052	1,055	1,054
Deferred income taxes	322	323	594
Other	828	756	679
Total current assets	7,272	7,137	7,233

Property and equipment, at cost	29,145	28,742	28,075
Accumulated depreciation	(16,185)	(15,896)	(15,241)
	12,960	12,846	12,834

Investments of insurance subsidiaries	473	495	548
Investments in and advances to affiliates	103	102	101
Goodwill and other intangible assets	5,460	5,431	5,251
Deferred loan costs	266	281	290
Other	768	840	641
	\$ 27,302	\$ 27,132	\$ 26,898

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:

Accounts payable	\$ 1,585	\$ 1,517	\$ 1,597
Accrued salaries	1,027	970	965
Other accrued expenses	1,498	1,651	1,585
Long-term debt due within one year	1,751	1,309	1,407
Total current liabilities	<u>5,861</u>	<u>5,447</u>	<u>5,554</u>
Long-term debt	25,182	25,732	25,645
Professional liability risks	962	1,039	993
Income taxes and other liabilities	1,860	1,857	1,720

EQUITY (DEFICIT)

Stockholders' deficit attributable to HCA Holdings, Inc.	(7,859)	(8,243)	(8,258)
Noncontrolling interests	1,296	1,300	1,244
Total deficit	<u>(6,563)</u>	<u>(6,943)</u>	<u>(7,014)</u>
	<u>\$ 27,302</u>	<u>\$ 27,132</u>	<u>\$ 26,898</u>

HCA Holdings, Inc.

Condensed Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2012 and 2011
(Dollars in millions)

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Net income	\$ 1,579	\$ 800
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in operating assets and liabilities	(2,923)	(2,336)
Provision for doubtful accounts	2,666	2,164
Depreciation and amortization	1,254	1,078
Income taxes	250	348

payments.

Year Ended December 31, 2011

Revenues for the year ended December 31, 2011 totaled \$29.682 billion compared to \$28.035 billion in 2010. Net income attributable to HCA Holdings, Inc. in 2011 was \$2.465 billion, or \$4.97 per diluted share, compared to \$1.207 billion, or \$2.76 per diluted share, for 2010. Results for the year ended December 31, 2011 include a pretax gain on the acquisition of a controlling interest in an equity investment of \$1.522 billion, or \$2.87 per diluted share, pretax gains on sales of facilities of \$142 million, or \$0.16 per diluted share, pretax losses on the retirement of debt of \$481 million, or \$0.61 per diluted share, and a pretax charge for termination of management agreement of \$181 million, or \$0.30 per diluted share. Results for the year ended December 31, 2010 include pretax impairments of long-lived assets of \$123 million, or \$0.18 per diluted share, and pretax gains on sales of facilities of \$4 million, or \$0.01 per diluted share. Adjusted EBITDA for 2011 totaled \$6.061 billion compared to \$5.868 billion in 2010.

Balance Sheet and Cash Flow

As of December 31, 2011, HCA Holdings, Inc.'s balance sheet reflected cash and cash equivalents of \$373 million, total debt of \$27.052 billion, and total assets of \$26.898 billion. During the fourth quarter, capital expenditures totaled \$509 million, excluding acquisitions, compared to \$465 million in the previous year's fourth quarter. HCA's debt-to-Adjusted EBITDA ratio at December 31, 2011 was 4.46x compared to 4.81x at December 31, 2010. Net cash provided by operating activities totaled \$1.387 billion compared to \$534 million in the fourth quarter of 2010. The increase in cash flows from operating activities was primarily due to improved cash flows of \$467 million related to income taxes and \$388 million related to working capital items.

Special Dividend

HCA also today announced that its Board of Directors has approved a special cash dividend of \$2.00 per share to be paid to shareholders of record as of February 16, 2012 with a payment date of February 29, 2012. The dividend is expected to be funded through existing cash and borrowings under the Company's credit facilities.

"We believe that a special dividend provides liquidity to our shareholders while not affecting our ability to invest in our markets or impair our acquisition strategy. Also, the impact of this dividend on the Company's leverage will be modest," stated R. Milton Johnson, HCA President and Chief Financial Officer.

2012 Guidance

Today, HCA issued the following estimated guidance for 2012:

	2011	2012 RANGE
Revenues (1)	\$29.682 billion	\$32 to \$33 billion
Adjusted EBITDA	\$6.061 billion	\$6.20 to \$6.45 billion
Adjusted EPS (diluted) (2)	\$2.85	\$3.35 to \$3.55

Equity in earnings of affiliates	(41)	(0.5)	(72)	(1.0)
Depreciation and amortization	387	5.0	359	5.0
Interest expense	465	6.0	526	7.3
Gains on sales of facilities	(145)	(1.9)	(6)	(0.1)
Gain on acquisition of controlling interest in equity investment	(1,522)	(19.6)	-	-
Impairments of long-lived assets	-	-	4	0.1
	<u>5,315</u>	<u>68.4</u>	<u>6,597</u>	<u>92.1</u>
Income before income taxes	2,454	31.6	564	7.9
Provision for income taxes	<u>412</u>	<u>5.3</u>	<u>170</u>	<u>2.4</u>
Net income	2,042	26.3	394	5.5
Net income attributable to noncontrolling interests	<u>107</u>	<u>1.4</u>	<u>111</u>	<u>1.5</u>
Net income attributable to HCA Holdings, Inc.	<u>\$1,935</u>	<u>24.9</u>	<u>\$283</u>	<u>4.0</u>
Diluted earnings per share	\$4.25		\$0.65	
Shares used in computing diluted earnings per share (000)	455,460		437,568	

HCA Holdings, Inc.
Condensed Consolidated Income Statements
For the Years Ended December 31, 2011 and 2010
(Dollars in millions, except per share amounts)

	<u>2011</u>		<u>2010</u>	
	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>
Revenues before provision for doubtful accounts	\$32,506		\$30,683	
Provision for doubtful accounts	<u>2,824</u>		<u>2,648</u>	
Revenues	<u>29,682</u>	100.0%	<u>28,035</u>	100.0%

Salaries and benefits	13,440	45.3	12,484	44.5
Supplies	5,179	17.4	4,961	17.7
Other operating expenses	5,470	18.5	5,004	17.9
Electronic health record incentive income	(210)	(0.7)	-	-
Equity in earnings of affiliates	(258)	(0.9)	(282)	(1.0)
Depreciation and amortization	1,465	4.9	1,421	5.0
Interest expense	2,037	6.9	2,097	7.5
Gains on sales of facilities	(142)	(0.5)	(4)	-
Gain on acquisition of controlling interest in equity investment	(1,522)	(5.1)	-	-
Impairments of long-lived assets	-	-	123	0.4
Losses on retirement of debt	481	1.6	-	-
Termination of management agreement	181	0.6	-	-
	<u>26,121</u>	<u>88.0</u>	<u>25,804</u>	<u>92.0</u>
Income before income taxes	3,561	12.0	2,231	8.0
Provision for income taxes	<u>719</u>	<u>2.4</u>	<u>658</u>	<u>2.4</u>
Net income	2,842	9.6	1,573	5.6
Net income attributable to noncontrolling interests	<u>377</u>	<u>1.3</u>	<u>366</u>	<u>1.3</u>
Net income attributable to HCA Holdings, Inc.	<u>\$2,465</u>	<u>8.3</u>	<u>\$1,207</u>	<u>4.3</u>
Diluted earnings per share	\$4.97		\$2.76	
Shares used in computing diluted earnings per share (000)	495,943		437,347	

HCA Holdings, Inc.
Supplemental Non-GAAP Disclosures
Operating Results Summary
(Dollars in millions, except per share amounts)

management agreement and Adjusted EBITDA, as presented, may not be comparable to other similarly titled measures presented by other companies.

HCA Holdings, Inc.
Condensed Consolidated Balance Sheets
(Dollars in millions)



December 31,	September 30,	December 31,
2011	2011	2010

ASSETS

Current assets:

Cash and cash equivalents	\$373	\$359	\$411
Accounts receivable, net	4,533	3,925	3,832
Inventories	1,054	891	897
Deferred income taxes	594	643	931
Other	679	875	848
	7,233	6,693	6,919
Total current assets			

Property and equipment, at cost

28,075	26,647	25,641
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Accumulated depreciation

(15,241)	(15,002)	(14,289)
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12,834	11,645	11,352
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Investments of insurance subsidiaries

548	545	642
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Investments in and advances to affiliates

101	837	869
-----	-----	-----

Goodwill and other intangible assets

5,251	2,701	2,693
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Deferred loan costs

290	297	374
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Other

641	1,038	1,003
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\$26,898	\$23,756	\$23,852
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LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities:

Accounts payable	\$1,597	\$1,334	\$1,537
Accrued salaries	965	876	895
Other accrued expenses	1,585	1,336	1,245
Long-term debt due within one year	1,407	725	592
Total current liabilities	<u>5,554</u>	<u>4,271</u>	<u>4,269</u>
Long-term debt	25,645	25,871	27,633
Professional liability risks	993	993	995
Income taxes and other liabilities	1,720	1,683	1,608
Total liabilities	<u>33,912</u>	<u>32,818</u>	<u>34,505</u>

Equity securities with contingent redemption rights	-	-	141
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EQUITY (DEFICIT)

HCA Holdings, Inc. stockholders' deficit	(8,258)	(10,194)	(11,926)
Noncontrolling interests	1,244	1,132	1,132
Total deficit	<u>(7,014)</u>	<u>(9,062)</u>	<u>(10,794)</u>
	<u>\$26,898</u>	<u>\$23,756</u>	<u>\$23,852</u>

HCA Holdings, Inc.
Condensed Consolidated Statements of Cash Flows
For the Years Ended December 31, 2011 and 2010
(Dollars in millions)

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Net income	\$2,842	\$1,573
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in operating assets and liabilities	(2,953)	(2,847)
Provision for doubtful accounts	2,824	2,648
Depreciation and amortization	1,465	1,421
Income taxes	912	27

C, Orderly Development--7(C)
Licensing & Accreditation Inspections



Summit Medical Center
5655 Frist Boulevard
Hermitage, TN 37076

Organization Identification Number: 7806

Program(s)
Hospital Accreditation

Survey Date(s)
05/22/2012-05/25/2012

Executive Summary

As a result of the survey conducted on the above date(s), the following survey findings have been identified. Your official report will be posted to your organization's confidential extranet site. It will contain specific follow-up instructions regarding your survey findings.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

The Joint Commission Summary of Findings

DIRECT Impact Standards:

Program:	Hospital Accreditation Program	
Standards:	EC.02.05.07	EP6
	MM.04.01.01	EP13
	MM.05.01.01	EP8
	NPSG.03.04.01	EP2

INDIRECT Impact Standards:

Program:	Hospital Accreditation Program	
Standards:	EC.02.02.01	EP11
	EC.02.03.01	EP10
	EC.02.05.01	EP4
	EC.02.05.09	EP3
	EC.02.06.01	EP13
	LS.02.01.20	EP29
	LS.02.01.50	EP12
	MM.03.01.01	EP3,EP6
	RC.01.01.01	EP19
	RI.01.03.01	EP5

The Joint Commission Summary of CMS Findings

CoP: §482.23 **Tag:** A-0385 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.23 Condition of Participation: Nursing Services

The hospital must have an organized nursing service that provides 24-hour nursing services. The nursing services must be furnished or supervised by a registered nurse.

CoP Standard	Tag	Corresponds to	Deficiency
§482.23(c)(2)	A-0406	HAP - MM.04.01.01/EP13	Standard

CoP: §482.24 **Tag:** A-0431 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.24 Condition of Participation: Medical Record Services

The hospital must have a medical record service that has administrative responsibility for medical records. A medical record must be maintained for every individual evaluated or treated in the hospital.

CoP Standard	Tag	Corresponds to	Deficiency
§482.24(c)(1)	A-0450	HAP - RC.01.01.01/EP19	Standard
§482.24(c)(2)(v)	A-0466	HAP - RI.01.03.01/EP5	Standard

CoP: §482.25 **Tag:** A-0490 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.25 Condition of Participation: Pharmaceutical Services

The hospital must have pharmaceutical services that meet the needs of the patients. The institution must have a pharmacy directed by a registered pharmacist or a drug storage area under competent supervision. The medical staff is responsible for developing policies and procedures that minimize drug errors. This function may be delegated to the hospital's organized pharmaceutical service.

CoP Standard	Tag	Corresponds to	Deficiency
§482.25(b)(2)(i)	A-0502	HAP - MM.03.01.01/EP6, EP3	Standard

CoP: §482.41 **Tag:** A-0700 **Deficiency:** Standard

Corresponds to: HAP

Text: §482.41 Condition of Participation: Physical Environment

The hospital must be constructed, arranged, and maintained to ensure the safety of the patient, and to provide facilities for diagnosis and treatment and for special hospital services appropriate to the needs of the community.

**The Joint Commission
Summary of CMS Findings**

CoP Standard	Tag	Corresponds to	Deficiency
§482.41(c)(2)	A-0724	HAP - EC.02.05.07/EP6	Standard
§482.41(c)(4)	A-0726	HAP - EC.02.06.01/EP13	Standard
§482.41(b)(1)(i)	A-0710	HAP - LS.02.01.20/EP29, LS.02.01.50/EP12	Standard

The Joint Commission Findings

Chapter: Environment of Care
Program: Hospital Accreditation
Standard: EC.02.02.01

Standard Text: The hospital manages risks related to hazardous materials and waste.

Primary Priority Focus Area: Physical Environment

Element(s) of Performance:

11. For managing hazardous materials and waste, the hospital has the permits, licenses, manifests, and material safety data sheets required by law and regulation.



Scoring Category :A

Score : Insufficient Compliance

Observation(s):

EP 11

Observed in Environment of Care Session at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site. There was no written documentation that the individual, that had signed the generator's certification on the uniform hazardous waste manifest for pharmaceutical waste, had received US Department of Transportation training for the safe packaging and transportation of hazardous materials.

Chapter: Environment of Care
Program: Hospital Accreditation
Standard: EC.02.03.01

Standard Text: The hospital manages fire risks.

Primary Priority Focus Area: Physical Environment

Element(s) of Performance:

10. The written fire response plan describes the specific roles of staff and licensed independent practitioners at and away from a fire's point of origin, including when and how to sound fire alarms, how to contain smoke and fire, how to use a fire extinguisher, and how to evacuate to areas of refuge. (See also EC.02.03.03, EP 5; EC.03.01.01, EP 2; and HR.01.04.01, EP 2)

Note: For additional guidance, see NFPA 101, 2000 edition (Sections 18/19.7.1 and 18/19.7.2).



Scoring Category :A

Score : Insufficient Compliance

Observation(s):

EP 10

Observed in Environment of Care Session at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site. The written fire response plan did not describe how to use a fire extinguisher.

Chapter: Environment of Care
Program: Hospital Accreditation

The Joint Commission Findings

Standard: EC.02.05.01

Standard Text: The hospital manages risks associated with its utility systems.

Primary Priority Focus Area: Physical Environment

Element(s) of Performance:

4. The hospital identifies, in writing, the intervals for inspecting, testing, and maintaining all operating components of the utility systems on the inventory, based on criteria such as manufacturers' recommendations, risk levels, or hospital experience. (See also EC.02.05.05, EPs 3-5)



Scoring Category :A

Score : Insufficient Compliance

Observation(s):

EP 4

Observed in Environment of Care Session at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site. There was documentation that the hospital had identified, in writing, the interval for inspecting, testing, and maintaining the air handling equipment for air exchange rates and air pressure relationships in those areas requiring specific air exchange rates and pressure relationships as annually. However, air exchange rates had not been verified since 2008.

Chapter: Environment of Care

Program: Hospital Accreditation

Standard: EC.02.05.07

Standard Text: The hospital inspects, tests, and maintains emergency power systems.
Note: This standard does not require hospitals to have the types of emergency power equipment discussed below. However, if these types of equipment exist within the building, then the following maintenance, testing, and inspection requirements apply.

Primary Priority Focus Area: Physical Environment

Element(s) of Performance:

6. Twelve times a year, at intervals of not less than 20 days and not more than 40 days, the hospital tests all automatic transfer switches. The completion date of the tests is documented.



Scoring Category :A

Score : Insufficient Compliance

Observation(s):

EP 6

§482.41(c)(2) - (A-0724) - (2) Facilities, supplies, and equipment must be maintained to ensure an acceptable level of safety and quality.

This Standard is NOT MET as evidenced by:

Observed in Document Review at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

There was no written documentation that the transfer switch, that serves the fire pump, had been tested monthly. It had not been part of the monthly generator load test. It did not appear on the list of automatic transfer switches on the monthly generator test form.

The Joint Commission Findings

Chapter: Environment of Care
Program: Hospital Accreditation
Standard: EC.02.05.09

Standard Text: The hospital inspects, tests, and maintains medical gas and vacuum systems.
Note: This standard does not require hospitals to have the medical gas and vacuum systems discussed below. However, if a hospital has these types of systems, then the following inspection, testing, and maintenance requirements apply.

Primary Priority Focus Area: Physical Environment

Element(s) of Performance:

3. The hospital makes main supply valves and area shutoff valves for piped medical gas and vacuum systems accessible and clearly identifies what the valves control.



Scoring Category :A

Score : Insufficient Compliance

Observation(s):

EP 3

Observed in Building Tour at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site.

The main supply valves for oxygen, nitrogen, nitrous oxide, and vacuum were not labeled to identify what the valves controlled. The valves were labeled during the survey.

Chapter: Environment of Care
Program: Hospital Accreditation
Standard: EC.02.06.01

Standard Text: The hospital establishes and maintains a safe, functional environment.
Note: The environment is constructed, arranged, and maintained to foster patient safety, provide facilities for diagnosis and treatment, and provide for special services appropriate to the needs of the community.

Primary Priority Focus Area: Physical Environment

Element(s) of Performance:

13. The hospital maintains ventilation, temperature, and humidity levels suitable for the care, treatment, and services provided.



Scoring Category :A

Score : Insufficient Compliance

Observation(s):

EP 13

§482.41(c)(4) - (A-0726) - (4) There must be proper ventilation, light, and temperature controls in pharmaceutical, food preparation, and other appropriate areas.

This Standard is NOT MET as evidenced by:

Observed in Document Review at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

The 2008 ventilation study indicated that Delivery rooms one and two did not meet minimum air exchange rates. There was no documentation that the deficiency had been corrected.

The Joint Commission Findings

Chapter: Life Safety
Program: Hospital Accreditation
Standard: LS.02.01.20
Standard Text: The hospital maintains the integrity of the means of egress.
Primary Priority Focus Area: Physical Environment
Element(s) of Performance:

29. Stairs serving five or more stories have signs on each floor landing in the stairwell that identify the story, the stairwell, the top and bottom, and the direction to and story of exit discharge. The signs are placed 5 feet above the floor landing in a position that is easily visible when the door is open or closed. (For full text and any exceptions, refer to NFPA 101-2000: 7.2.2.5.4)



Scoring Category : C
Score : Insufficient Compliance

Observation(s):

EP 29

§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

Observed in Building Tour at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

Signs on each floor landing, in the North stairwell, did not identify the top and bottom and the story of exit discharge.

Observed in Building Tour at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

Signs on each floor landing, in the South stairwell, did not identify the top and bottom and the story of exit discharge.

Observed in Building Tour at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

Signs on each floor landing, in the East stairwell, did not identify the top and bottom and the story of exit discharge.

Observed in Building Tour at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

Signs on each floor landing, in the West stairwell, did not identify the top and bottom and the story of exit discharge.

Chapter: Life Safety
Program: Hospital Accreditation
Standard: LS.02.01.50
Standard Text: The hospital provides and maintains building services to protect individuals from the hazards of fire and smoke.

The Joint Commission Findings

Primary Priority Focus Area: Physical Environment

Element(s) of Performance:

12. The hospital meets all other Life Safety Code building service requirements related to NFPA 101-2000: 18/19.5.



Scoring Category :C

Score : Insufficient Compliance

Observation(s):

EP 12

§482.41(b)(1)(i) - (A-0710) - (i) The hospital must meet the applicable provisions of the 2000 edition of the Life Safety Code of the National Fire Protection Association. The Director of the Office of the Federal Register has approved the NFPA 101@2000 edition of the Life Safety Code, issued January 14, 2000, for incorporation by reference in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. A copy of the Code is available for inspection at the CMS Information Resource Center, 7500 Security Boulevard, Baltimore, MD or at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call 202-741-6030, or go to: http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.

Copies may be obtained from the National Fire Protection Association, 1 Batterymarch Park, Quincy, MA 02269. If any changes in this edition of the Code are incorporated by reference, CMS will publish notice in the Federal Register to announce the changes.

This Standard is NOT MET as evidenced by:

Observed in Document Review at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

There was no written documentation that all elevators equipped with fire fighter service had a monthly operation test, in February 2012, with a written record of the findings made and kept on the premises as required by NFPA 101-19.5.3 and NFPA 101 - 9.4.6.

Observed in Document Review at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

There was no written documentation that all elevators equipped with fire fighter service had a monthly operation test, in March 2012, with a written record of the findings made and kept on the premises as required by NFPA 101-19.5.3 and NFPA 101 - 9.4.6.

Observed in Document Review at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

There was no written documentation that all elevators equipped with fire fighter service had a monthly operation test, in April 2012, with a written record of the findings made and kept on the premises as required by NFPA 101-19.5.3 and NFPA 101 - 9.4.6.

Chapter:	Medication Management
Program:	Hospital Accreditation
Standard:	MM.03.01.01
Standard Text:	The hospital safely stores medications.
Primary Priority Focus Area:	Medication Management

The Joint Commission Findings

Element(s) of Performance:

3. The hospital stores all medications and biologicals, including controlled (scheduled) medications, in a secured area to prevent diversion, and locked when necessary, in accordance with law and regulation.



Note: Scheduled medications include those listed in Schedules II–V of the Comprehensive Drug Abuse Prevention and Control Act of 1970.

Scoring Category :A

Score : Insufficient Compliance

6. The hospital prevents unauthorized individuals from obtaining medications in accordance with its policy and law and regulation.



Scoring Category :A

Score : Insufficient Compliance

Observation(s):

EP 3

§482.25(b)(2)(i) - (A-0502) - (2)(i) All drugs and biologicals must be kept in a secure area, and locked when appropriate. This Standard is NOT MET as evidenced by:

Observed in Individual Tracer at Summit Outpatient Center (3901 Central Pike, Hermitage, TN) site for the Hospital deemed service.

Oral contrast (Readi-Cat) was stored in an unlocked refrigerator in the control area of the CT and MRI suite. On the weekends when the area was closed, the temperature of the refrigerator was not monitored to ensure that the contrast was stored according to manufacturer's recommendations. During the survey a lock was put on the refrigerator.

EP 6

§482.25(b)(2)(i) - (A-0502) - (2)(i) All drugs and biologicals must be kept in a secure area, and locked when appropriate. This Standard is NOT MET as evidenced by:

Observed in Tracer Activities at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

The hospital's policy for the disposal of used duragesic patches required that the disposal be witnessed and documented by a second nurse. However, the patches were disposed of in a 16 gallon sharps container with an opening that would allow someone to reach in and remove the patch. The sharps containers were located in the soiled utility room that was locked, but accessible to other personnel including non licensed personnel. The documentation of the disposal by two nurses was done in the pyxis machine located in another room on the unit. This method of disposal increased the potential risk of diversion after the patch was discarded.

Chapter:	Medication Management
Program:	Hospital Accreditation
Standard:	MM.04.01.01
Standard Text:	Medication orders are clear and accurate.
Primary Priority Focus Area:	Medication Management

The Joint Commission Findings

Element(s) of Performance:

13. The hospital implements its policies for medication orders.



Scoring Category :C

Score : Insufficient Compliance

Observation(s):

EP 13

§482.23(c)(2) - (A-0406) - (2) With the exception of influenza and pneumococcal polysaccharide vaccines, which may be administered per physician-approved hospital policy after an assessment of contraindications, orders for drugs and biologicals must be documented and signed by a practitioner who is authorized to write orders by hospital policy and in accordance with State law, and who is responsible for the care of the patient as specified under §482.12(c).

This Standard is NOT MET as evidenced by:

Observed in Individual Tracer at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

An order was written for a propofol sedation drip for a 78 year old patient who was placed on a ventilator. The order did not include the RASS goal for the sedation as required by hospital policy.

Observed in Individual Tracer at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

A 52 year old male admitted with diabetes received two units of Humalog insulin and there was no documentation in the record that the medication was double checked by a second RN as required by hospital policy.

Observed in Medication Management Tracer at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site.

During a high risk drug tracer, a patient was noted to have heparin protocol orders to increase the heparin drip if the PTT decreased to less than 46. The patient's PTT decreased to 38 on 5/20/2012 and heparin drip was not adjusted as required by protocol.

Chapter: Medication Management

Program: Hospital Accreditation

Standard: MM.05.01.01

Standard Text: A pharmacist reviews the appropriateness of all medication orders for medications to be dispensed in the hospital.

Primary Priority Focus Area: Medication Management

Element(s) of Performance:

8. All medication orders are reviewed for the following: Therapeutic duplication.



Scoring Category :C

Score : Partial Compliance

Observation(s):

The Joint Commission Findings

EP 8

Observed in Individual Tracer at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site.
On a post c/section patient the anesthesiologist ordered on a preprinted order sheet three prn medications for nausea: Zofran, Reglan, and a Scopolamine patch. The order did not specify which medication to give for a specific circumstance. It was not clear as to which medication(s) the nurse should give or in which order.

Observed in Individual Tracer at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site.
A second patient on 5th Surgical Floor was noted to have prn orders for both Zofran and Reglan for post-operative nausea with no indication of which drug to give or whether to give both drugs simultaneously. The orders were not clarified for therapeutic duplication.

Chapter: National Patient Safety Goals
Program: Hospital Accreditation
Standard: NPSG.03.04.01
Standard Text: Label all medications, medication containers, and other solutions on and off the sterile field in perioperative and other procedural settings.
Note: Medication containers include syringes, medicine cups, and basins.
Primary Priority Focus Area: Medication Management

Element(s) of Performance:

2. In perioperative and other procedural settings both on and off the sterile field, labeling occurs when any medication or solution is transferred from the original packaging to another container.



Scoring Category :A

Score : Insufficient Compliance

Observation(s):

EP 2

Observed in Medication Management Tracer at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site.
During the Medication Management Tracer in the pharmacy, seven unlabeled syringes containing medications were noted to be unattended under the hood used for the preparation of TPN. Each syringe was carefully lined up next to a vial of medication. The medications were not labeled when they were drawn-up as required by regulation.

Chapter: Record of Care, Treatment, and Services
Program: Hospital Accreditation
Standard: RC.01.01.01
Standard Text: The hospital maintains complete and accurate medical records for each individual patient.
Primary Priority Focus Area: Information Management

Element(s) of Performance:

19. For hospitals that use Joint Commission accreditation for deemed status purposes:
All entries in the medical record, including all orders, are timed.



Scoring Category :C

Score : Insufficient Compliance

Observation(s):

The Joint Commission Findings

EP 19

§482.24(c)(1) - (A-0450) - (1) All patient medical record entries must be legible, complete, dated, timed, and authenticated in written or electronic form by the person responsible for providing or evaluating the service provided, consistent with hospital policies and procedures.

This Standard is NOT MET as evidenced by:

Observed in Individual Tracer at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

A progress note written on a 56 year old patient admitted with fluid overload, shortness of breath and hypertension was not dated or timed by the physician as required by hospital policy.

Observed in Individual Tracer at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

A telephone order was authenticated without a date and time as required by CMS on a 56 year old male patient.

Observed in Individual Tracer at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

The immediate post procedure note for a 78 year old patient who had a incision and drainage of an infected finger was not timed as required by hospital policy.

Observed in Individual Tracer at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

The post procedure note for the placement of a vascatheter for dialysis access was not timed as required by hospital policy.

Observed in Individual Tracer at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

Several entries, eg treatment plan, initial evaluation, in the outpatient rehab charts were not timed as required by the hospital policy.

Observed in Individual Tracer at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

Medication reconciliation orders were not dated or timed by the ordering physician on an obstetrical patient.

Chapter:	Rights and Responsibilities of the Individual
Program:	Hospital Accreditation
Standard:	RI.01.03.01
Standard Text:	The hospital honors the patient's right to give or withhold informed consent.
Primary Priority Focus Area:	Rights & Ethics
Element(s) of Performance:	

5. The hospital's written policy describes how informed consent is documented in the patient record.

Note: Documentation may be recorded in a form, in progress notes, or elsewhere in the record.



Scoring Category :A

Score : Insufficient Compliance

Observation(s):

The Joint Commission Findings

EP 5

§482.24(c)(2)(v) - (A-0466) - [All records must document the following, as appropriate:]

(v) Properly executed informed consent forms for procedures and treatments specified by the medical staff, or by Federal or State law if applicable, to require written patient consent.

This Standard is NOT MET as evidenced by:

Observed in Individual Tracer at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site for the Hospital deemed service.

Hospital Informed Consent/Consent for Treatment policy does not describe how informed consent is documented in the medical record.

The Joint Commission

Patient-Centered Communication Standards

The Joint Commission recognizes that hospitals may require additional time to meet the requirements of the new and revised patient-centered communication standards. As such, the Joint Commission is providing a free monograph, *Advancing Effective Communication, Cultural Competence, and Patient- and Family-Centered care: A Roadmap for Hospitals*, on its website, jointcommission.org/patientsafety/hlc to inspire hospitals to integrate concepts from the communication, cultural competence, and patient- and family-centered care fields into their organizations. Throughout 2011, although surveyors will evaluate compliance with these requirements, they will not generate a requirement for improvement and/or affect an organization's accreditation decision.

Chapter: Provision of Care, Treatment, and Services

Program: Hospital Accreditation

Standard: PC.02.01.21

Standard Text: The hospital effectively communicates with patients when providing care, treatment, and services.
Note: This standard will not affect the accreditation decision at this time.

Primary Priority Focus Area: Information Management

Element(s) of Performance:

1. The hospital identifies the patient's oral and written communication needs, including the patient's preferred language for discussing health care. (See also RC.02.01.01, EP 1)



Note 1: Examples of communication needs include the need for personal devices such as hearing aids or glasses, language interpreters, communication boards, and translated or plain language materials.

Note 2: This element of performance will not affect the accreditation decision at this time.

Scoring Category : A

Score : Insufficient Compliance

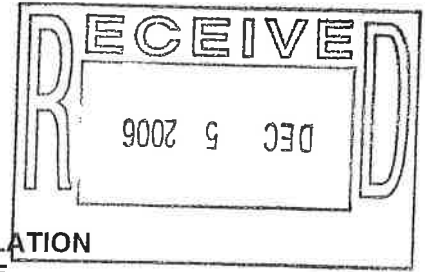
Observation(s):

EP 1

Observed in Individual Tracer at Summit Medical Center (5655 Frist Blvd., Hermitage, TN) site.

The hospital documents the patient's primary language rather than the patient's preferred language for receiving or discussing health care information.

Dr. Colleen Patterson
cc: Tom O'Gurn



STATE OF TENNESSEE
DEPARTMENT OF HEALTH
BUREAU OF HEALTH LICENSURE AND REGULATION
MIDDLE TENNESSEE REGIONAL OFFICE
710 HART LANE, 1ST FLOOR
NASHVILLE, TENNESSEE 37247-0530
PHONE (615) 650-7100
FAX (615) 650-7101

December 1, 2006

Jeffrey Whitehorn, Administrator
Summit Medical Center
5655 Frist Blvd
Hermitage, TN 37076

Dear Mr. Whitehorn:

Enclosed is the statement of deficiencies developed as the result of the revisit on the state licensure survey of Summit Medical Center on November 30, 2006.

Please provide us with documentation to describe how and when these deficiencies will be corrected. This information should be received in our office within ten (10) calendar days after receipt of this letter. It is imperative that you assure correction of the cited deficiencies no later than sixty (60) days from the date of the initial survey. A follow-up visit may be conducted, if your allegation of correction is reasonable and convincing. Failure to provide an acceptable plan of correction could result in a referral to the Board of Licensing Health Care Facilities for whatever action they deem appropriate.

In order for your Plan of Correction (PoC) to be acceptable, it should address the following:

1. How you will correct the deficiency;
2. Who will be responsible for correcting the deficiency;
3. The date the deficiency will be corrected; and
4. How you will prevent the same deficiency from happening again.

Should you have any questions, or if there is any way this office may be of assistance, please do not hesitate to call.

Sincerely,

A handwritten signature in cursive script that reads "Nina Monroe". The signature is fluid and elegant, with the first name "Nina" and last name "Monroe" clearly distinguishable.

Nina Monroe, Regional Administrator
Middle Tennessee Regional Office

ENCLOSURE

NM/dv

December 11, 2006

ATTN: Nina Monroe, Regional Administrator
State of Tennessee
Department of Health
Bureau of Health Licensure and Regulation
Middle Tennessee Regional Office
710 Hart Lane, 1st Floor
Nashville, TN 37247-0530

Dear Ms. Monroe:

Attached you will find our responses to the Statement of Deficiencies resulting from your State Licensure Survey of Summit Medical Center on November 30, 2006.

Please note that we are requesting a "Desk Review" of items noted on Statement of Deficiencies form. I have attached documentation and code references highlighted with pertinent information to assist with this review.

If there are any questions, please contact me at 615-316-3645.

Sincerely,



Ted Jones
Director of Operations and Facilities

TJ/ds

Cc: Tom Ozburn, COO
Colleen Patterson, Director of Quality Management

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53133	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUILDING 01 B. WING _____	(X3) DATE SURVEY COMPLETED R 11/30/2006
NAME OF PROVIDER OR SUPPLIER SUMMIT MEDICAL CENTER		STREET ADDRESS, CITY, STATE, ZIP CODE 5655 FRIST BLVD HERMITAGE, TN 37076		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
{H 901}	<p>1200-8-1-.09 (1) Life Safety</p> <p>(1) Any hospital which complies with the required applicable building and fire safety regulations at the time the board adopts new codes or regulations will, so long as such compliance is maintained (either with or without waivers of specific provisions), be considered to be in compliance with the requirements of the new codes or regulations.</p> <p>This Statute is not met as evidenced by: Surveyor: 13846 Based on observation and inspection, it was determined the facility failed to comply with the life safety codes and the electrical codes.</p> <p>The findings included:</p> <p>On 11/30/06 at approximately 11:00 AM, inspection of the facility revealed the vent covers were dirty on the ground, first, second, third, fourth, fifth, sixth, and seventh floors revealed the vent covers were dirty. NFPA 01, 19.5.2.1</p> <p>Inspection of the seventh floor biohazard room and the sixth floor soiled utility room revealed the electrical panels were blocked with equipment. NFPA 70, 110-26(a)</p> <p>Inspection of the imaging staff work room, and the men's dressing room by x-ray revealed cylinders of oxygen stored and no precautionary signs posted. NFPA 99, 9.6.3.2.1</p> <p>Inspection of the corridors revealed cylinders of oxygen stored and no precautionary signs posted. NFPA 99, 9.6.3.2.1</p> <p>Inspection of the lab office and the accounting</p>	{H 901}	<p>SEMI-ANNUAL VENT COVERS CLEANING PM TO START IMMEDIATELY AND COMPLETE BY END OF JANUARY. 1/30/2007</p> <p>A RAIL TO PROVIDE PROPER CLEARANCES TO BE INSTALLED TO PREVENT ITEMS FROM BLOCKING PANELS. 1/19/2007</p> <p>REQUEST "DESK REVIEW" OF THIS FINDING.</p> <p>REQUEST "DESK REVIEW" OF THIS FINDING.</p>	

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

STATE FORM

6599

G2FP22

TITLE

Dir. of Facilities

(X6) DATE

12/11/06

If continuation sheet 1 of 2

DEC 11 2006

PRINTED: 12/01/2006
FORM APPROVED

Division of Health Care Facilities

MIDDLE TENNESSEE

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION	(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53133	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUILDING 01 B. WING _____	(X3) DATE SURVEY COMPLETED R 11/30/2006
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NAME OF PROVIDER OR SUPPLIER SUMMIT MEDICAL CENTER	STREET ADDRESS, CITY, STATE, ZIP CODE 5655 FRIST BLVD HERMITAGE, TN 37076
--	---

(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
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{H 901} 1200-8-1-.09 (1) Life Safety

(1) Any hospital which complies with the required applicable building and fire safety regulations at the time the board adopts new codes or regulations will, so long as such compliance is maintained (either with or without waivers of specific provisions), be considered to be in compliance with the requirements of the new codes or regulations.

This Statute is not met as evidenced by:
Surveyor: 13846
Based on observation and inspection, it was determined the facility failed to comply with the life safety codes and the electrical codes.

The findings included:

On 11/30/06 at approximately 11:00 AM, inspection of the facility revealed the vent covers were dirty on the ground, first, second, third, fourth, fifth, sixth, and seventh floors revealed the vent covers were dirty. NFPA 01, 19.5.2.1

Inspection of the seventh floor biohazard room and the sixth floor soiled utility room revealed the electrical panels were blocked with equipment. NFPA 70, 110-26(a)

Inspection of the imaging staff work room, and the men's dressing room by x-ray revealed cylinders of oxygen stored and no precautionary signs posted. NFPA 99, 9.6.3.2.1

Inspection of the corridors revealed cylinders of oxygen stored and no precautionary signs posted. NFPA 99, 9.6.3.2.1

Inspection of the lab office and the accounting

{H 901}

SEMI-ANNUAL VENT COVERS CLEANING PM TO START 1/30/2007 IMMEDIATELY AND COMPLETE BY END OF JANUARY.

A RAIL TO PROVIDE PROPER CLEARANCES TO BE INSTALLED TO PREVENT ITEMS FROM BLOCKING PANELS. 1/19/2007

REQUEST "DESK REVIEW" OF THIS FINDING.

REQUEST "DESK REVIEW" OF THIS FINDING.

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

STATE FORM

6899

G2FP22

TITLE

Director of Facilities & Operations

(X6) DATE

12/11/06

If continuation sheet 1 of 2

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53133	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUILDING 01 B. WING _____		(X3) DATE SURVEY COMPLETED R 11/30/2006
NAME OF PROVIDER OR SUPPLIER SUMMIT MEDICAL CENTER			STREET ADDRESS, CITY, STATE, ZIP CODE 5655 FRIST BLVD HERMITAGE, TN 37076		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE	
{H 901}	Continued From page 1 office on the ground floor revealed power strips connected in tandem. NFPA 70, 373-4 Inspection of the patient rooms second, third, fourth, fifth, sixth, and the seventh floors revealed the doors are not constructed to resist the passage of smoke. NFPA 101, 19.3.6.2 Inspection of the first and third floor smoking areas revealed no covered ashtrays. NFPA 101, 19.7.4(4)	{H 901}	<p>THE POWER STRIP IN TANDEM WILL BE REMOVED SEE NOTE BELOW.</p> <p>REQUEST "DESK REVIEW" OF THIS FINDING.</p> <p>METAL CONTAINERS WITH SELF-CLOSING COVERS ARE BEING ORDERED TO COMPLY WITH NFPA 19.7.4(6)</p> <p>NOTE: STAFF HAS BEEN INSTRUCTED ON PROPER USE OF POWER STRIPS.</p>	11/19/2007	11/19/2007

9.5.3.1.2 Use. Carts and hand trucks that are intended to be used in anesthetizing locations or cylinder and container storage rooms communicating with anesthetizing locations shall comply with the appropriate provisions of 13.4.1.

9.5.3.2 Gas Equipment — Laboratory. Gas appliances shall be of an approved design and installed in accordance with NFPA 54, *National Fuel Gas Code*. Shutoff valves shall be legibly marked to identify the material they control.

9.6 Administration.

9.6.1 Policies.

9.6.1.1 Elimination of Sources of Ignition.

9.6.1.1.1 Smoking materials (e.g., matches, cigarettes, lighters, lighter fluid, tobacco in any form) shall be removed from patients receiving respiratory therapy.

9.6.1.1.2* No sources of open flame, including candles, shall be permitted in the area of administration.

9.6.1.1.3* Sparking toys shall not be permitted in any patient care area.

9.6.1.1.4 Nonmedical appliances that have hot surfaces or sparking mechanisms shall not be permitted within oxygen delivery equipment or within the site of intentional expulsion.

9.6.1.2 Misuse of Flammable Substances.

9.6.1.2.1 Flammable or combustible aerosols or vapors, such as alcohol, shall not be administered in oxygen-enriched atmospheres (*see B.6.1.11*).

9.6.1.2.2 Oil, grease, or other flammable substances shall not be used on an oxygen equipment.

9.6.1.2.3 Flammable and combustible liquids shall not be permitted within the site of intentional expulsion.

9.6.1.3 Servicing and Maintenance of Equipment.

9.6.1.3.1 Defective equipment shall be immediately removed from service.

9.6.1.3.2 Defective electrical apparatus shall not be used.

9.6.1.3.3 Areas designated for the servicing of oxygen equipment shall be clean, free of oil and grease, and not used for the repair of other equipment.

9.6.1.3.4 Service manuals, instructions, and procedures provided by the manufacturer shall be used in the maintenance of equipment.

9.6.1.3.5 A scheduled preventive maintenance program shall be followed.

9.6.2 Gases in Cylinders and Liquefied Gases in Containers.

9.6.2.1 Transfilling Cylinders.

(A) Mixing of compressed gases in cylinders shall be prohibited.

(B) Transfer of gaseous oxygen from one cylinder to another shall be in accordance with CGA Pamphlet P-2.5, *Transfilling of High-Pressure Gaseous Oxygen to Be Used for Respiration*.

(C) Transfer of any gases from one cylinder to another in patient care areas of health care facilities shall be prohibited.

9.6.2.2 Transferring Liquid Oxygen. Transferring of liquid oxygen from one container to another shall be accomplished at a location specifically designated for the transferring that is as follows:

- (1) The area is separated from any portion of a facility wherein patients are housed, examined, or treated by a separation of a fire barrier of 1-hr fire-resistive construction.
- (2) The area is mechanically ventilated, is sprinklered, and has ceramic or concrete flooring.
- (3) The area is posted with signs indicating that transferring is occurring, and that smoking in the immediate area is not permitted.

9.6.2.2.1 Transferring shall be accomplished utilizing equipment designed to comply with the performance requirements and producers of CGA Pamphlet P-2.6, *Transfilling of Low-Pressure Liquid Oxygen to be Used for Respiration*, and adhering to those procedures.

9.6.2.2.2 The use and operation of small portable liquid oxygen systems shall comply with the requirements of CGA Pamphlet P-2.7, *Guide for the Safe Storage, Handling and Use of Portable Liquid Oxygen Systems in Health Care Facilities*.

9.6.2.3 Ambulatory Patients. Ambulatory patients on oxygen therapy shall be permitted access to all flame and smoke free areas within the health care facility.

9.6.3 Use (Including Information and Warning Signs).

9.6.3.1 Labeling.

9.6.3.1.1 Equipment listed for use in oxygen-enriched atmospheres shall be so labeled.

9.6.3.1.2 Oxygen-metering equipment and pressure-reducing regulators shall be conspicuously labeled:

OXYGEN — USE NO OIL

9.6.3.1.3 Flowmeters, pressure-reducing regulators, and oxygen-dispensing apparatus shall be clearly and permanently labeled, designating the gas or mixture of gases for which they are intended.

9.6.3.1.4 Apparatus whose calibration or function is dependent on gas density shall be labeled as to the proper supply gas gage pressure (psi/kPa) for which it is intended.

9.6.3.1.5 Oxygen-metering equipment, pressure-reducing regulators, humidifiers, and nebulizers shall be labeled with the name of the manufacturer or supplier.

9.6.3.1.6 Cylinders and containers shall be labeled in accordance with ANSI/CGA C-7, *Guide to the Preparation for Cautionary Labeling and Marking for Compressed Gas Containers*. Color coding shall not be utilized as a primary method of determining cylinder or container content.

9.6.3.1.7 All labeling shall be durable and withstand cleansing or disinfection.

9.6.3.2* Signs.

9.6.3.2.1 In health care facilities where smoking is not prohibited, precautionary signs readable from a distance of 1.5 m (5 ft) shall be conspicuously displayed wherever supplemental oxygen is in use and in aisles and walkways leading to that area; they shall be attached to adjacent doorways or to building walls or be supported by other appropriate means.

9.6.3.2.2 In health care facilities where smoking is prohibited and signs are prominently (strategically) placed at all major entrances, secondary signs with no-smoking language shall not be required.

9.6.3.2.3 The nonsmoking policies shall be strictly enforced.

MANUAL: Environment of Care	POLICY DESCRIPTION: Smoking
PAGE: 1 of 2	REPLACES POLICY DATED: N/A
APPENDICES: N/A	REVIEWED: June 2006
EFFECTIVE DATE: February 1998	SECTION NUMBER: 1

PURPOSE:

To promote good health habits and provide a clean air environment for patients, visitors, employees, volunteers, and the medical staff.

POLICY:

There will be no smoking allowed in the interior of Summit Medical Center, its adjacent office buildings or Medical Center-owned vehicles by employees, visitors, patients or the medical staff.

PROCEDURE:

1. Patients
 - A. Patients being admitted to Summit Medical Center will not be allowed to smoke in the interior of Summit Medical Center, its adjacent office buildings or Medical Center owned vehicles. Patients who must smoke must do so in the designated areas established in Section 4.
 - B. Patients admitted to the Psychiatric Unit are permitted to smoke, on the smoking porch only when in the opinion of the psychiatrist failure to do so would adversely affect the effectiveness of therapeutic interventions and/or the therapeutic milieu of the patient. A physician's order is required.
 - C. If a patient refuses to follow this policy, the patient will be reminded of the policy and it will be documented in the patient's chart in the progress notes. If the patient continues to be non-compliant, the physician will be notified and security will be contacted to witness the removal of smoking materials. Smoking materials will be returned to the patient at discharge.
2. Visitors
 - A. Visitors will be allowed to smoke only in designated areas exterior to the hospital.
 - B. If a visitor is found to be smoking in the interior of the Medical Center, he/she will be informed of Summit Medical Center's smoking policy, politely asked not to smoke inside the building, and directed to the nearest designated area.
 - C. If a visitor refuses to cooperate, report the incident to Security for resolution.
3. Employees, Volunteers, Physicians and MOB Staff
 - A. Employees, volunteers, physicians, and MOB staff will be allowed to smoke only in designated smoking areas outside the facility.

MANUAL: Environment of Care**PAGE:** 2 of 2**POLICY DESCRIPTION:** Smoking

- B. Any employee found to be smoking in the interior of the hospital or a non-designated area will be subject to disciplinary action up to and including termination.
- C. Employees should be reminded that they are allowed a thirty minute lunch break. This break may be taken as a time to smoke in the designated areas outside the building, if so chosen by the employee.
- 4. Designated Smoking areas exterior to the Hospital and Medical Office Buildings
 - A. Employees, physicians, and volunteers will be allowed to smoke in the courtyard by the employee entrance and the designated smoking area adjacent to the rear Imaging entrance for employees.
 - B. Patients and visitors will be allowed to smoke at designated areas outside the rear Imaging Entrance, the Visitor and Patient entrance and the Same Day Surgery patio on First Floor.
 - C. Ambulatory Surgery Center designated smoking area is adjacent to the receiving area.

APPROVALS:

A.19.3.5.4 The provisions of 19.3.5.4(6) and 19.3.5.4(7) are not intended to supplant NFPA 13, *Standard for the Installation of Sprinkler Systems*, which requires that residential sprinklers with more than a 5.6°C (10°F) difference in temperature rating not be mixed within a room. Currently there are no additional prohibitions in NFPA 13 on the mixing of sprinklers having different thermal response characteristics. Conversely, there are no design parameters to make practical the mixing of residential and other types of sprinklers.

A.19.3.5.6 For the proper operation of sprinkler systems, cubicle curtains and sprinkler locations need to be coordinated. Improperly designed systems might obstruct the sprinkler spray from reaching the fire or might shield the heat from the sprinkler. Many options are available to the designer including, but not limited to, hanging the cubicle curtains 46 cm (18 in.) below the sprinkler deflector; using 1.3-cm (½-in.) diagonal mesh or a 70 percent open weave top panel that extends 46 cm (18 in.) below the sprinkler deflector; or designing the system to have a horizontal and minimum vertical distance that meets the requirements of NFPA 13, *Standard for the Installation of Sprinkler Systems*. The test data that forms the basis of the NFPA 13 requirements is from fire tests with sprinkler discharge that penetrated a single privacy curtain.

A.19.3.6.1(3) A typical nurses' station would normally contain one or more of the following with associated furniture and furnishings:

- (1) Charting area
- (2) Clerical area
- (3) Nourishment station
- (4) Storage of small amounts of medications, medical equipment and supplies, clerical supplies, and linens
- (5) Patient monitoring and communication equipment

A.19.3.6.1(6)(b) A fully developed fire (flashover) occurs if the rate of heat release of the burning materials exceeds the capability of the space to absorb or vent that heat. The ability of common lining (wall, ceiling, and floor) materials to absorb heat is approximately 0.07 kJ per m² (0.75 Btu per ft²) of lining. The venting capability of open doors or windows is in excess of 1.95 kJ per m² (20 Btu per ft²) of opening. In a fire that has not reached flashover conditions, fire will spread from one furniture item to another only if the burning item is close to another furniture item. For example, if individual furniture items have heat release rates of 525 kW per second (500 Btu per second) and are separated by 305 mm (12 in.) or more, the fire is not expected to spread from item to item, and flashover is unlikely to occur. (See also the NFPA Fire Protection Handbook.)

A.19.3.6.1(7) This provision permits waiting areas to be located across the corridor from each other, provided that neither area exceeds the 55.7-m² (600-ft²) limitation.

A.19.3.6.2.2 The intent of the ½-hour fire resistance rating for corridor partitions is to require a nominal fire rating, particularly where the fire rating of existing partitions cannot be documented. Examples of acceptable partition assemblies would include, but are not limited to 1.3-cm (½-in.) gypsum board, wood lath and plaster, gypsum lath, or metal lath and plaster.

A.19.3.6.2.3 An architectural, exposed, suspended-grid acoustical tile ceiling with penetrating items such as sprinkler piping and sprinklers; ducted HVAC supply and return-air diffusers; speakers; and recessed lighting fixtures is capable of limiting the transfer of smoke.

A.19.3.6.2.5 Monolithic ceilings are continuous horizontal membranes composed of noncombustible or limited-combustible materials, such as plaster or gypsum board, with seams or cracks permanently sealed.

A.19.3.6.2.6 The purpose of extending a corridor wall above a lay-in ceiling or through a concealed space is to provide a barrier to limit the passage of smoke. The intent of 19.3.6.2.6 is not to require light-tight barriers above lay-in ceilings or to require an absolute seal of the room from the corridor. Small holes, penetrations or gaps around items such as ductwork, conduit, or telecommunication lines should not affect the ability of this barrier to limit the passage of smoke.

A.19.3.6.3.1 Gasketing of doors should not be necessary to achieve resistance to the passage of smoke if the door is relatively tight-fitting.

A.19.3.6.3.5 While it is recognized that closed doors serve to maintain tenable conditions in a corridor and adjacent patient rooms, such doors, which under normal or fire conditions are self-closing, might create a special hazard for the personal safety of a room occupant. These closed doors might present a problem of delay in discovery, confining fire products beyond tenable conditions.

Because it is critical for responding staff members to be able to immediately identify the specific room involved, it is suggested that approved automatic smoke detection that is interconnected with the building fire alarm be considered for rooms having doors equipped with closing devices. Such detection is permitted to be located at any approved point within the room. When activated, the detector is required to provide a warning that indicates the specific room of involvement by activation of a fire alarm annunciator, nurse call system, or any other device acceptable to the authority having jurisdiction.

In existing buildings, use of the following options reasonably ensures that patient room doors will be closed and remain closed during a fire:

- (1) Doors should have positive latches and a suitable program that trains staff to close the doors in an emergency should be established.
- (2) It is the intent of the *Code* that no new installations of roller latches be permitted; however, repair or replacement of roller latches is not considered a new installation.
- (3) Doors protecting openings to patient sleeping or treatment rooms, or spaces having a similar combustible loading might be held closed using a closer exerting a closing force of not less than 22 N (5 lbf) on the door latch stile.

A.19.3.6.3.8 Doors should not be blocked open by furniture, door stops, chocks, tie-backs, drop-down or plunger-type devices, or other devices that necessitate manual unlatching or releasing action to close. Examples of hold-open devices that release when the door is pushed or pulled are friction catches or magnetic catches.

A.19.3.6.3.10 It is not the intent of 19.3.6.3.10 to prohibit the application of push-plates, hardware, or other attachments on corridor doors in health care occupancies.

A.19.3.7.3(2) Where the smoke control system design requires dampers in order that the system functions effectively, it is not the intent of the exception to permit the damper to be omitted.

This provision is not intended to prevent the use of plenum returns where ducting is used to return air from a ceiling plenum through smoke barrier walls. Short stubs or jumper ducts

- (3) If, in the opinion of the authority having jurisdiction, special hazards are present, a lock on the enclosure specified in 19.5.2.3(3) and other safety precautions shall be permitted to be required.

19.5.3 Elevators, Escalators, and Conveyors. Elevators, escalators, and conveyors shall comply with the provisions of Section 9.4.

19.5.4 Rubbish Chutes, Incinerators, and Laundry Chutes.

19.5.4.1 Any existing linen and trash chute, including pneumatic rubbish and linen systems, that opens directly onto any corridor shall be sealed by fire-resistive construction to prevent further use or shall be provided with a fire door assembly having a fire protection rating of 1 hour. All new chutes shall comply with Section 9.5.

19.5.4.2 Any rubbish chute or linen chute, including pneumatic rubbish and linen systems, shall be provided with automatic extinguishing protection in accordance with Section 9.7. (See Section 9.5.)

19.5.4.3 Any trash chute shall discharge into a trash collection room used for no other purpose and protected in accordance with Section 8.7.

19.5.4.4 Existing flue-fed incinerators shall be sealed by fire-resistive construction to prevent further use.

19.6 Reserved.

19.7* Operating Features.

19.7.1 Evacuation and Relocation Plan and Fire Drills.

19.7.1.1 The administration of every health care occupancy shall have, in effect and available to all supervisory personnel, written copies of a plan for the protection of all persons in the event of fire, for their evacuation to areas of refuge, and for their evacuation from the building when necessary.

19.7.1.2 All employees shall be periodically instructed and kept informed with respect to their duties under the plan required by 19.7.1.1.

19.7.1.3 A copy of the plan required by 19.7.1.1 shall be readily available at all times in the telephone operator's location or at the security center.

19.7.1.4* Fire drills in health care occupancies shall include the transmission of a fire alarm signal and simulation of emergency fire conditions.

19.7.1.5 Infirm or bedridden patients shall not be required to be moved during drills to safe areas or to the exterior of the building.

19.7.1.6 Drills shall be conducted quarterly on each shift to familiarize facility personnel (nurses, interns, maintenance engineers, and administrative staff) with the signals and emergency action required under varied conditions.

19.7.1.7 When drills are conducted between 9:00 p.m. (2100 hours) and 6:00 a.m. (0600 hours), a coded announcement shall be permitted to be used instead of audible alarms.

19.7.1.8 Employees of health care occupancies shall be instructed in life safety procedures and devices.

19.7.2 Procedure in Case of Fire.

19.7.2.1* Protection of Patients.

19.7.2.1.1 For health care occupancies, the proper protection of patients shall require the prompt and effective response of health care personnel.

19.7.2.1.2 The basic response required of staff shall include the following:

- (1) Removal of all occupants directly involved with the fire emergency
- (2) Transmission of an appropriate fire alarm signal to warn other building occupants and summon staff
- (3) Confinement of the effects of the fire by closing doors to isolate the fire area
- (4) Relocation of patients as detailed in the health care occupancy's fire safety plan

19.7.2.2 Fire Safety Plan. A written health care occupancy fire safety plan shall provide for the following:

- (1) Use of alarms
- (2) Transmission of alarm to fire department
- (3) Emergency phone call to fire department
- (4) Response to alarms
- (5) Isolation of fire
- (6) Evacuation of immediate area
- (7) Evacuation of smoke compartment
- (8) Preparation of floors and building for evacuation
- (9) Extinguishment of fire

19.7.2.3 Staff Response.

19.7.2.3.1 All health care occupancy personnel shall be instructed in the use of and response to fire alarms.

19.7.2.3.2 All health care occupancy personnel shall be instructed in the use of the code phrase to ensure transmission of an alarm under the following conditions:

- (1) When the individual who discovers a fire must immediately go to the aid of an endangered person
- (2) During a malfunction of the building fire alarm system

19.7.2.3.3 Personnel hearing the code announced shall first activate the building fire alarm using the nearest manual fire alarm box, then shall execute immediately their duties as outlined in the fire safety plan.

19.7.3 Maintenance of Exits.

19.7.3.1 Proper maintenance shall be provided to ensure the dependability of the method of evacuation selected.

19.7.3.2 Health care occupancies that find it necessary to lock exits shall, at all times, maintain an adequate staff qualified to release locks and direct occupants from the immediate danger area to a place of safety in case of fire or other emergency.

19.7.4* Smoking. Smoking regulations shall be adopted and shall include not less than the following provisions:

- (1) Smoking shall be prohibited in any room, ward, or compartment where flammable liquids, combustible gases, or oxygen is used or stored and in any other hazardous location, and such areas shall be posted with signs that read NO SMOKING or shall be posted with the international symbol for no smoking.
- (2) In health care occupancies where smoking is prohibited and signs are prominently placed at all major entrances, secondary signs with language that prohibits smoking shall not be required.
- (3) Smoking by patients classified as not responsible shall be prohibited.
- (4) The requirement of 19.7.4(3) shall not apply where the patient is under direct supervision.

- (5) Ashtrays of noncombustible material and safe design shall be provided in all areas where smoking is permitted.
- (6) Metal containers with self-closing cover devices into which ashtrays can be emptied shall be readily available to all areas where smoking is permitted.

19.7.5 Furnishings, Bedding, and Decorations.

19.7.5.1* Draperies, curtains, and other loosely hanging fabrics and films serving as furnishings or decorations in health care occupancies shall be in accordance with the provisions of 10.3.1 (*see 19.3.5.6*), and the following also shall apply:

- (1) Such curtains shall include cubicle curtains.
- (2) Such curtains shall not include curtains at showers.

19.7.5.2 Newly introduced upholstered furniture within health care occupancies shall meet the criteria specified when tested in accordance with the methods cited in 10.3.2(2) and 10.3.3.

19.7.5.3 The requirement of 19.7.5.2 shall not apply to upholstered furniture belonging to the patient in sleeping rooms of nursing homes where the following criteria are met:

- (1) A smoke detector shall be installed in such rooms.
- (2) Battery-powered single-station smoke detectors shall be permitted.

19.7.5.4 Newly introduced mattresses within health care occupancies shall meet the criteria specified when tested in accordance with the methods cited in 10.3.2(3) and 10.3.4.

19.7.5.5 The requirement of 19.7.5.4 shall not apply to mattresses belonging to the patient in sleeping rooms of nursing homes where the following criteria are met:

- (1) A smoke detector shall be installed in such rooms.
- (2) Battery-powered, single-station smoke detectors shall be permitted.

19.7.5.6 Combustible decorations shall be prohibited in any health care occupancy unless one of the following criteria is met:

- (1) They are flame-retardant.
- (2) They are decorations such as photographs and paintings in such limited quantities that a hazard of fire development or spread is not present.

19.7.5.7 Soiled linen or trash collection receptacles shall not exceed 121 L (32 gal) in capacity, and the following also shall apply:

- (1) The average density of container capacity in a room or space shall not exceed 20.4 L/m² (0.5 gal/ft²).
- (2) A capacity of 121 L (32 gal) shall not be exceeded within any 6-m² (64-ft²) area.
- (3) Mobile soiled linen or trash collection receptacles with capacities greater than 121 L (32 gal) shall be located in a room protected as a hazardous area when not attended.
- (4) Container size and density shall not be limited in hazardous areas.

19.7.6 Maintenance and Testing. (*See 4.6.13.*)

19.7.7* Engineered Smoke Control Systems.

19.7.7.1 Existing engineered smoke control systems, unless specifically exempted by the authority having jurisdiction, shall be tested in accordance with established engineering principles.

19.7.7.2 Systems not meeting the performance requirements of such testing shall be continued in operation only with the specific approval of the authority having jurisdiction.

19.7.8 **Portable Space-Heating Devices.** Portable space-heating devices shall be prohibited in all health care occupancies, unless both of the following criteria are met:

- (1) Such devices are used only in nonsleeping staff and employee areas.
- (2) The heating elements of such devices do not exceed 100°C (212°F).

19.7.9 Construction, Repair, and Improvement Operations.

19.7.9.1 Construction, repair, and improvement operations shall comply with 4.6.11.

19.7.9.2 The means of egress in any area undergoing construction, repair, or improvements shall be inspected daily for compliance with 7.1.10.1 and shall also comply with NFPA 241, *Standard for Safeguarding Construction, Alteration, and Demolition Operations*.

Chapter 20 New Ambulatory Health Care Occupancies

20.1 General Requirements.

20.1.1 Application.

20.1.1.1 General.

20.1.1.1.1 The requirements of this chapter shall apply to the following:

- (1) New buildings or portions thereof used as ambulatory health care occupancies (*see 1.3.1*)
- (2) Additions made to, or used as, an ambulatory health care occupancy (*see 4.6.7 and 20.1.1.4*), unless all of the following criteria are met:
 - (a) The addition is classified as an occupancy other than an ambulatory health care occupancy.
 - (b) The addition is separated from the ambulatory health care occupancy in accordance with 20.1.2.2.
 - (c) The addition conforms to the requirements for the specific occupancy.
- (3) Alterations, modernizations, or renovations of existing ambulatory health care occupancies (*see 4.6.8 and 20.1.1.4*)
- (4) Existing buildings or portions thereof upon change of occupancy to an ambulatory health care occupancy (*see 4.6.12*)

20.1.1.1.2 Ambulatory health care facilities shall comply with the provisions of Chapter 38 and this chapter, whichever is more stringent.

20.1.1.1.3 This chapter establishes life safety requirements, in addition to those required in Chapter 38, for the design of all ambulatory health care occupancies as defined in 3.3.152.1.

20.1.1.1.4 Buildings, or sections of buildings, that primarily house patients who, in the opinion of the governing body of the facility and the governmental agency having jurisdiction, are capable of exercising judgment and appropriate physical action for self-preservation under emergency conditions shall

March 16, 2007

ATTN: Nina Monroe, Regional Administrator
State of Tennessee
Department of Health
Bureau of Health Licensure and Regulation
Middle Tennessee Regional Office
710 Hart Lane, 1st Floor
Nashville, TN 37247-0530

Dear Ms. Monroe:

Attached you will find our plan of correction to the Statement of Deficiencies resulting from your State Licensure Survey of Summit Medical Center on March 6, 2007.

If there are any questions, please contact me at 615-316-3645.

Sincerely,



Ted Jones
Director of Operations and Facilities

TJ/ds

Cc: Tom Ozburn, COO
Colleen Patterson, Director of Quality Management

Division of Health Care Facilities

STATEMENT OF DEFICIENCIES AND PLAN OF CORRECTION		(X1) PROVIDER/SUPPLIER/CLIA IDENTIFICATION NUMBER: TNP53133	(X2) MULTIPLE CONSTRUCTION A. BUILDING 01 - MAIN BUILDING 01 B. WING _____	(X3) DATE SURVEY COMPLETED R 03/06/2007
NAME OF PROVIDER OR SUPPLIER SUMMIT MEDICAL CENTER		STREET ADDRESS, CITY, STATE, ZIP CODE 5655 FRIST BLVD HERMITAGE, TN 37076		
(X4) ID PREFIX TAG	SUMMARY STATEMENT OF DEFICIENCIES (EACH DEFICIENCY MUST BE PRECEDED BY FULL REGULATORY OR LSC IDENTIFYING INFORMATION)	ID PREFIX TAG	PROVIDER'S PLAN OF CORRECTION (EACH CORRECTIVE ACTION SHOULD BE CROSS-REFERENCED TO THE APPROPRIATE DEFICIENCY)	(X5) COMPLETE DATE
{H 901}	<p>1200-8-1-.09 (1) Life Safety</p> <p>(1) Any hospital which complies with the required applicable building and fire safety regulations at the time the board adopts new codes or regulations will, so long as such compliance is maintained (either with or without waivers of specific provisions), be considered to be in compliance with the requirements of the new codes or regulations.</p> <p>This Statute is not met as evidenced by: Surveyor: 13846 Based on observation and inspection, it was determined the facility failed to comply with the life safety codes.</p> <p>The findings included:</p> <p>On 3/02/07 at approximately 10:00 AM, inspection of the corridors revealed cylinders of oxygen stored and no precautionary signs posted. NFPA 99, 9.6.3.2.1</p> <p>Inspection of the patient rooms on second, third, fourth, fifth, sixth, and seventh floors revealed the doors are not constructed to resist the passage of smoke. NFPA 101, 19.3.6.2</p>	{H 901}	<p>CONFERRED WITH BILL HARMON ON 3.6.07. WITH NO SMOKING SIGNAGE ON MAIN ENTRANCES FOR GENERAL PUBLIC HE FELT WE HAD MET INTENT OF NFPA 99. CRASH CARTS AND BEDS FOR TRANSPORTING PATIENTS WITH OXYGEN BOTTLES ARE NOT CONSIDERED STORED.</p> <p>UL LISTED SMOKE SEALS ARE BEING INSTALLED ON PATIENT ROOM DOORS.</p>	4.20.07

Division of Health Care Facilities

LABORATORY DIRECTOR'S OR PROVIDER/SUPPLIER REPRESENTATIVE'S SIGNATURE

STATE FORM

TITLE

(X6) DATE

3.15.07

6899

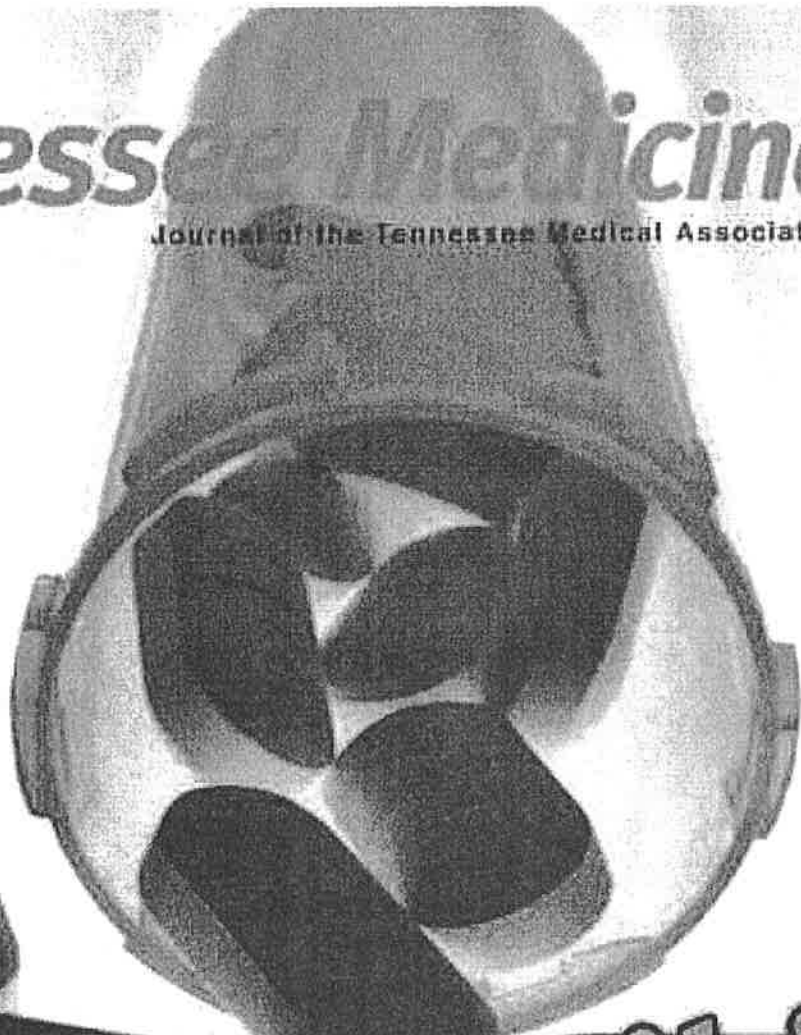
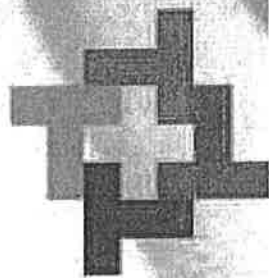
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If continuation sheet 1 of 1

Miscellaneous Information

Tennessee Medicine

Journal of the Tennessee Medical Association



Overprescribing in Tennessee: Put A Lid On It

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Access to Heart Disease and Stroke Care in Tennessee

By Roberta Hern, MPH; Rachel Swafford; Greg Winters, MPH; and Timothy E. Aldrich, PhD, MPH

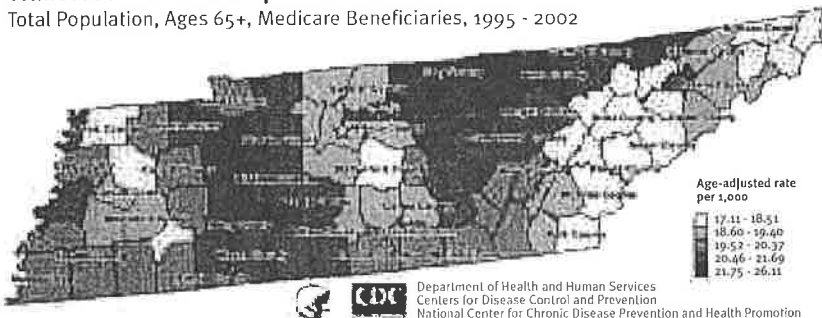
ABSTRACT

Tennessee is ranked fourth-worst in the United States for deaths caused by stroke and third-worst in the nation for cardiovascular deaths. Two recent surveys provide information about the geographic distribution of hospital-based, primary and secondary care promotion, and of emergency medical services for these disease conditions. This article is a synthesis of selected findings from these surveys to identify priority populations for interventions to reduce cardiac and stroke mortality in Tennessee. Twenty-three counties have a medical facility with a formal clinical pathway or system for implementing cardiovascular disease prevention strategies. Sixty-three of the state's 95 counties have no designated specialty center for an EMS service to transport cardiac and stroke patients. Fifty-six counties, comprising 38 percent of the state's population, lie between 20 and 50 miles from the nearest state-of-the-art stroke care. Twenty-one counties, containing nearly 10 percent of the state's population, are greater than 50 miles from advanced stroke care facility. Some health districts are faring better than the state proportion (86.8 percent) for people indicating they would call 911 for a suspected cardiac or stroke emergency, while many are performing much poorer. The Shelby district (Memphis) is much higher ($p < 0.01$), while Madison and South Central districts are well below the state's prevalence ($p < 0.001$). The fact that these "less-likely-to-call-911" areas are also in mostly rural settings poses priority chal-

FIGURE 1. Medicare admissions for stroke: 1995-2002.

Tennessee — Stroke Hospitalization Rates

Total Population, Ages 65+, Medicare Beneficiaries, 1995 - 2002



lenges for public education. To combat this trend, coordinated efforts are in progress to incentivize the development of cardiac and stroke centers or, alternatively, the formation of regional collaborative networks affiliated with a specialty center.

INTRODUCTION

The stroke rate in Tennessee is among the highest in the United States. According to recent statistics, Tennessee is ranked fourth-worst in the U.S. for deaths caused by stroke.¹ Data gathered by the Tennessee State Health Department in 2005 indicated Tennessee was ranked third-worst in the nation for cardiovascular deaths.² These statistics emphasize our state's need for education concerning techniques for primary and secondary prevention of heart disease and stroke.

In 2006, East Tennessee State University partnered with the Heart Disease and Stroke

Prevention program of the Tennessee Department of Health to compile a "Heart Disease and Stroke Prevention Services" survey. These findings became part of the "Heart Disease and Stroke Prevention Inventory" for Tennessee counties. As such the results, along with a series of Healthy Living components (e.g., dietary and exercise behaviors), were published in a monograph entitled *Report of Healthful Living and Services for Cardiovascular Disease in Tennessee*, 2006.

In 2007, the section for Licensure and Education for the Tennessee Division of Emergency Medical Services conducted an assessment of all EMS regions in Tennessee utilizing a CDC-developed survey/assessment tool. The survey was expressly directed to services for cardiac and stroke patients.

Tennessee contains many excellent healthcare facilities. Nonetheless, there are "gaps" and disparities in access to state-of-the-art cardiac and stroke care (Figure 1).

FIGURE 2. Areas without access to skilled stroke care.



FIGURE 3. Participation in the Heart Disease and Stroke Prevention Services Survey.

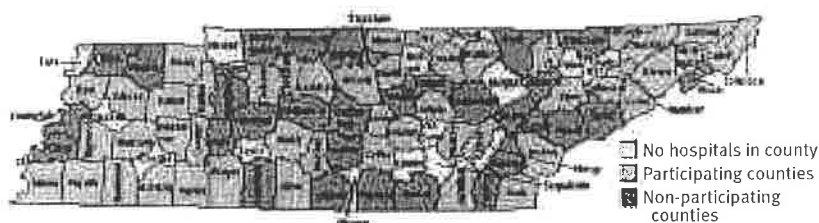


FIGURE 4. County location of "home-base" for EMS Survey respondents.

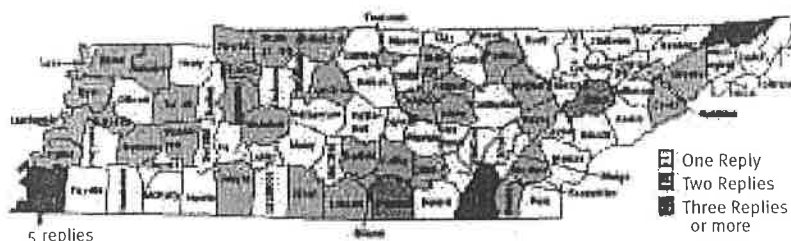
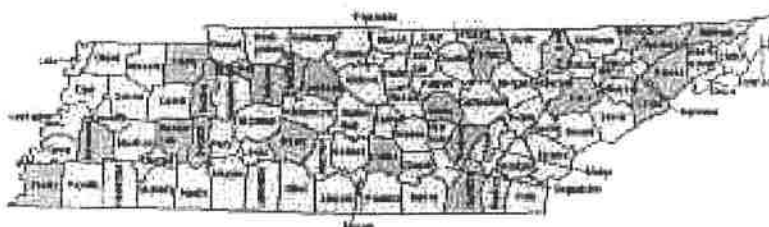


FIGURE 5. Counties having at least one medical facility that reported having a pathway or system to implement cardiovascular disease prevention strategies (light blue).



This figure indicates the densest areas for stroke admissions paid for by Medicare.³ There are 907,000 Tennesseans who are more than 50 miles from a primary stroke center or 25 miles from a skilled stroke facility (Figure 2). Note that much of the greatest use area is concomitant with those without access to stroke services.⁴ Several organizations in the state, under the aegis

of a statewide plan, formed working groups to improve the outcomes for cardiac and stroke events in Tennessee.⁵

METHODS

The questionnaire for the Heart Disease and Stroke Prevention Services survey of hospitals was modeled after a Minnesota statewide survey. The questionnaire was

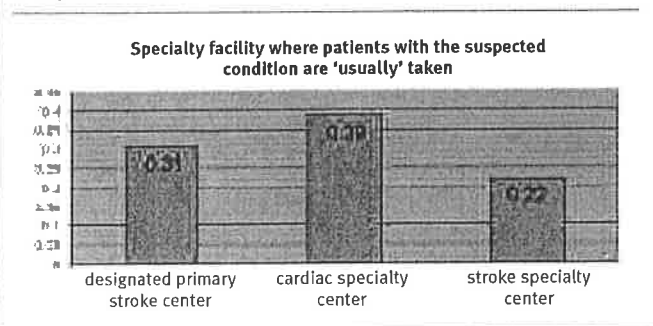
initially pilot-tested at Johnson City Medical Center with interviewers trained at the same facility. Data was collected regarding policies and infrastructure that facilitate primary and secondary stroke prevention. From this, the Tennessee Hospital Association (THA) developed a list of qualifying hospital facilities. From May through August 2006, data was collected statewide. Eventually all hospitals found in the membership roster of the THA were contacted.

The primary goal was to collect county-level data. If the county lacked a hospital, the local county health department was contacted to verify the lack of a hospital for the county. Referral information was then collected from these county health departments to determine where patients might go for acute stroke treatment.

Quality control was accomplished by calls to the survey respondents asking them to verify responses to eight selected questions from the instrument. Respondent answers were then compared to the completed survey. Data were analyzed at the county level. Microsoft Excel was used as an analysis tool. Analysis was completed using simple, univariate statistics. Only selected findings from this large report are presented in this manuscript; mainly the findings selected for inclusion were meant to provide a representative perspective of the complete report.⁶

To understand better the heart disease and stroke-related capacities and procedures by local EMS services, the section for Licensure and Education for the Tennessee Division of Emergency Medical Services conducted a statewide survey of EMS providers.⁷ The completed EMS surveys were delivered to the Health Disease and Stroke Prevention Program (HDSPP) of the Tennessee Department of Health. They in turn contracted with the ETSU College of Public Health center for data entry, assessment, analysis and interpretation. Duplicate survey responses were found for four EMS services. Simple EXCEL spread sheets were used for analyses. Results were mainly descriptive statistics and minimal statistical testing was conducted. In cases of statistical testing, comparisons were made between groups with the binomial solution for propor-

FIGURE 6. Respondents indicating they had designated stroke centers, cardiac centers or stroke specialty centers identified by protocol for transport of suspected cases.



tions. Significance was interpreted as a p-value of less than 0.05. The findings from the survey data base were prepared in graphic and tabular form, with the specific survey question referenced.⁷

RESULTS

Hospital-Based Cardiovascular Disease and Stroke Prevention Services. Counties that participated in the Heart Disease and Stroke Prevention Services survey for the state of Tennessee (light blue in Figure 3) had at least one medical facility in their county. There were a total of 62 medical facilities that completed the survey, representing 49 counties in the state. Fifteen counties do not have hospitals (Chester, Crockett, Grundy, Grainger, Lake, Lewis, Jackson, Meigs, Moore, Morgan, Pickett, Sequatchie, Stewart, Union and Van Buren); these are shown as yellow in Figure 3.

There were 51 unique responses to the EMS survey. All eight EMS regions are represented; there were at least three replies, per region (Figure 4).

Questions selected from the EMS survey for inclusion with this report dealt with heart disease and stroke prevention services. For example, 23 counties (28 hospitals) each had a medical facility that included a formal clinical pathway or system for implementing cardiovascular disease prevention strategies (Figure 5).

One of the crucial aspects of accessing state-of-the-art cardiac and stroke care is the timely transport of patients experiencing symptoms to medical care.⁸ This is most assiduously promoted as "calling

of the respondents indicated they served a population of less than 100,000 population [39/47 replies]. The majority of the EMS survey respondents were from small services. Seventeen are smaller services (< 4 ground units); only five of the responding EMS services were large, e.g., over 20 vehicles. Five of the respondents did not answer this question. Only two services indicated having a helicopter as part of their services.

One of the primary interests of the EMS survey was to determine services with established protocols for handling suspected cardiac and stroke cases (Figure 6). Most respondents indicated they did not have a

911." Of the 51 responses to the EMS survey, six indicated the EMS served more than a single county (Sullivan, Knox, Davidson, Franklin, Grundy and Shelby) and there were three that crossed state lines (Shelby, Sullivan, Hamilton). Eighty-two percent

designated cardiac or stroke center to deliver patients.

Tennessee has 27 "designated" stroke centers and 42 facilities with a designation of either cardiac center and/or stroke center. The geographic distribution of the respondent EMS services that reported having a designated stroke or cardiac center for transport is aggregated near the state's major metropolitan areas (Figures 7, 8).

Twenty-nine counties served by respondent EMS services had no designated stroke and cardiac centers. Additionally, 34 counties did not provide a response to the survey. By inference, this means 63 of the state's 95 counties may be regarded as not having an EMS service that transports cardiac and stroke patients to a designated specialty center. Based on the county-level analysis of the EMS service coverage and the protocol for transport to a specialized stroke center, an estimate was made of the counties by 20- and 50-mile distances from specialized stroke centers (Figure 9). There are 56 counties (38 percent of the state's population: 2,170,054 people) that are wholly or in large part more than 20 miles but less than 50 miles from state-of-the-art stroke care. There are 21 counties (9.6 percent of the state's population: 544,576 people) that are in part or wholly

FIGURE 7. Counties served by EMS services with either a primary stroke center or a specialty stroke center designated for transport of suspected stroke cases.

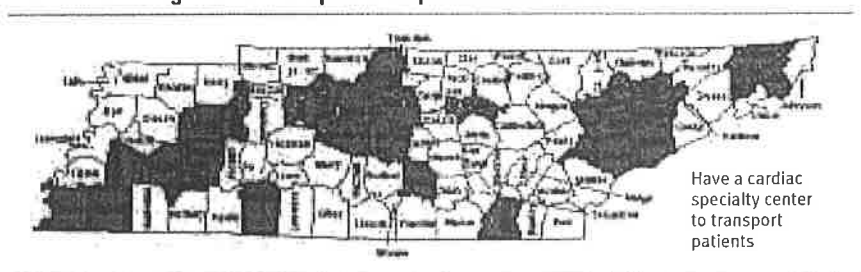


FIGURE 8. Counties served by EMS services with a primary cardiac center designated for transport of suspected cardiac cases.

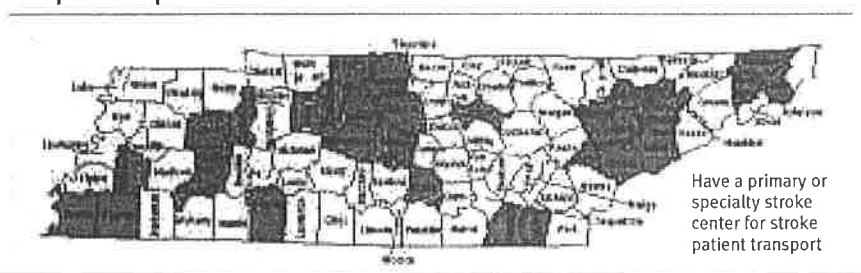


FIGURE 9. Distances to specialized stroke care in Tennessee.*

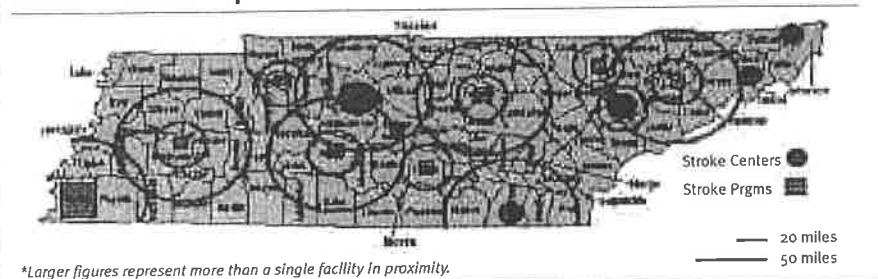


FIGURE 10. 2005 BRFSS data that indicates the proportion of the population in each health district who responded they would call 911 if a heart attack or stroke was suspected.

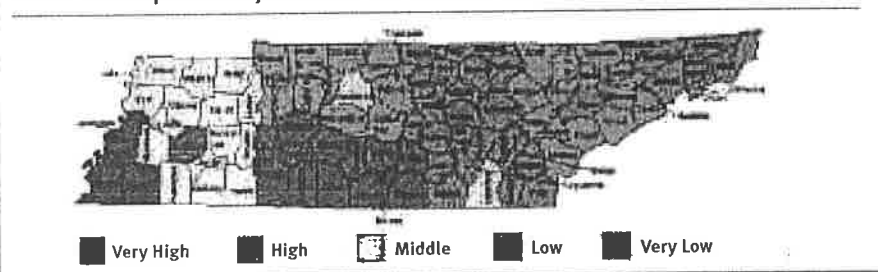
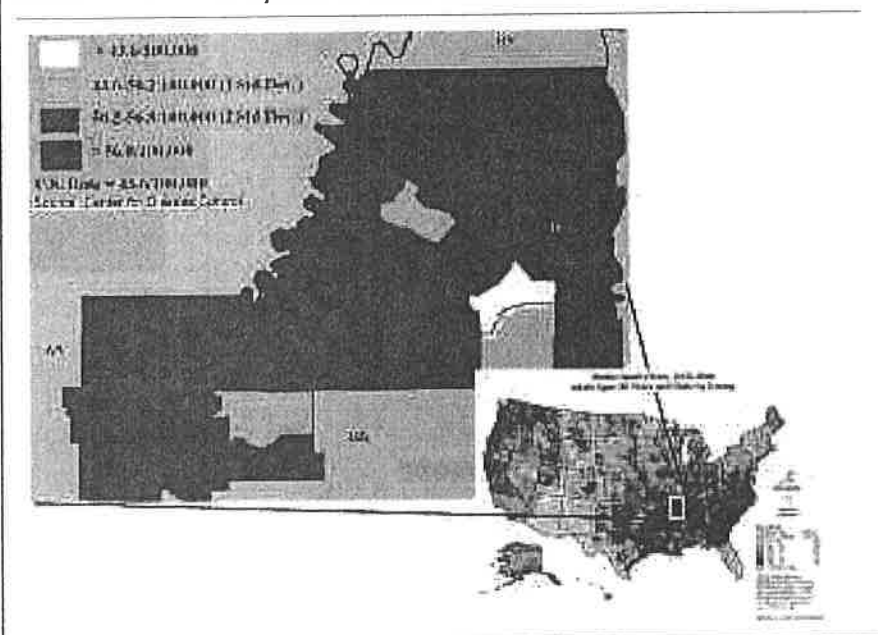


FIGURE 11. Stroke mortality rates for African-American males, 2001-2005.



more than 50 miles from stroke care. For the purpose of the estimating public awareness to call 911 with a cardiac or stroke emergency, the 2005 Behavioral Risk Factor Surveillance System (BRFSS) was tabulated by Health Districts (Figure 10).⁹ Each district had about 320 responses to these random digit dial calls,

which should be noted as a design consideration. It was clear that all areas reported high indications for calling 911 in the face of these suspected diagnoses. However, some health districts are statistically significantly higher than the state proportion (86.8 percent, $p < 0.05$), and Shelby is performing even higher ($p < 0.01$).⁹

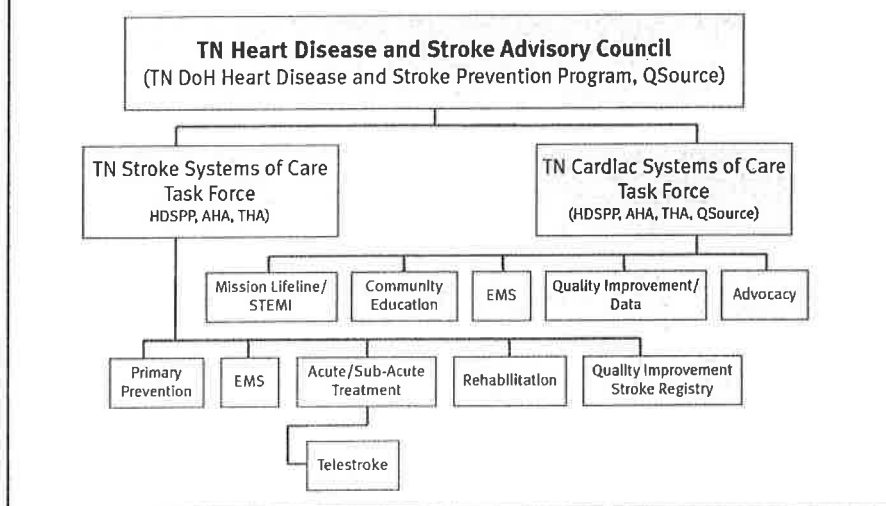
Similarly, but especially important, some regions were doing much worse. The Madison Metropolitan District and South Central District are far lower than the state for respondent prevalence of saying they would call 911 for a suspected cardiac or stroke emergency, $p < 0.001$. The East Tennessee District and the Upper Cumberland District are also lagging behind the rest of the state, $p < 0.05$. Mortality data for stroke shows the region around Madison County has some of the state's highest rates in Tennessee.¹⁰ Also, the observation that most of the "low" and "very low" regions are mostly rural poses a set of priority populations for public education about calling 911 for suspected strokes and heart attacks.

For Tennessee, the metropolitan Shelby County area is also a priority area for intervention. Shelby County has become an epicenter of the "Stroke Belt."^{11,12} Besides a dense, urban population, medical facilities and EMS services in this region also serve northwestern Mississippi and northeastern Arkansas. Despite excellent medical services, the African-American population suffers exorbitant stroke mortality rates (Figure 11).

DISCUSSION

The state of Tennessee developed a statewide plan for endeavoring to reduce mortality from heart disease and stroke.⁵ Prominent among the goals of that document and the activities of the American Stroke Association's Stroke Systems of Care Committee is the promotion of greater 911 utilization in response to suspected cardiac and stroke events. This emphasis on more rapid and appropriate acute care for these conditions is central to efforts to lower the rates of these preventable deaths. However, many areas of Tennessee are remote to access for these state-of-the-art clinical practices, even if 911 is called. Efforts should be made to incentivize the development of cardiac and stroke centers (associated with national performance criteria and connotes a designated treatment team and an established treatment protocol). Alternatively, there should be promotion of clinical programs versed in the state-of-the-art practice even if those services are not available at their

FIGURE 12. Organizational structure for improving cardiac and stroke outcomes in Tennessee.



specific facility. These care centers are designated as stroke or cardiac “aware” hospitals, and often are affiliated with the respective centers for patient referrals.

Similarly, community educational programs should be distributed to promote patients to request transport to cardiac and stroke centers. These programs should actively promote the importance of calling 911 in a cardiac or stroke emergency, especially in the western part of the state and the south central region. EMS services should be encouraged to align themselves with specialty centers for cardiac and stroke care in their nearby region. Legislation authorizing “bypass” policies for cardiac and stroke emergencies should be sought so that distant-living patients may be transported to specialty care centers. +

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Acknowledgements: We would like to thank and recognize each of ETSU's interviewers: Jennifer Davis, Jonathan Savoy, Brennan McIntyre, B.J. Banjo; Roland Rogers for database development; and Andaleeb Ahmed for assistance with quality control. We thank Karrin Reimheimer of the University of Tennessee and Dr. Cathy Cunningham of Tennessee Technological University for their interviewing efforts. We also appreciate each of the stroke coordinators, hospital administrators and nursing supervisors for their courtesy and assistance in addressing the questionnaire material. We also thank the EMS services who completed that questionnaire. Our thanks to Donna Tidwell of the Tennessee Division of Emergency Medical Services.

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State & County QuickFacts

Davidson County, Tennessee

People QuickFacts	Davidson County	Tennessee
Population, 2012 estimate	NA	6,456,243
Population, 2011 estimate	635,475	6,399,787
Population, 2010 (April 1) estimates base	626,681	6,346,113
Population, percent change, April 1, 2010 to July 1, 2012	NA	1.7%
Population, percent change, April 1, 2010 to July 1, 2011	1.4%	0.8%
Population, 2010	626,681	6,346,105
Persons under 5 years, percent, 2011	7.1%	6.3%
Persons under 18 years, percent, 2011	21.8%	23.3%
Persons 65 years and over, percent, 2011	10.5%	13.7%
Female persons, percent, 2011	51.6%	51.3%
White persons, percent, 2011 (a)	66.2%	79.5%
Black persons, percent, 2011 (a)	27.9%	16.9%
American Indian and Alaska Native persons, percent, 2011 (a)	0.5%	0.4%
Asian persons, percent, 2011 (a)	3.2%	1.5%
Native Hawaiian and Other Pacific Islander persons, percent, 2011 (a)	0.1%	0.1%
Persons reporting two or more races, percent, 2011	2.1%	1.6%
Persons of Hispanic or Latino Origin, percent, 2011 (b)	9.9%	4.7%
White persons not Hispanic, percent, 2011	57.5%	75.4%
Living in same house 1 year & over, percent, 2007-2011	79.3%	84.1%
Foreign born persons, percent, 2007-2011	11.7%	4.5%
Language other than English spoken at home, percent age 5+, 2007-2011	15.4%	6.4%
High school graduate or higher, percent of persons age 25+, 2007-2011	85.3%	83.2%
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	34.4%	23.0%
Veterans, 2007-2011	40,017	501,665
Mean travel time to work (minutes), workers age 16+, 2007-2011	23.2	24.0
Housing units, 2011	285,020	2,829,025
Homeownership rate, 2007-2011	56.8%	69.0%
Housing units in multi-unit structures, percent, 2007-2011	37.1%	18.1%
Median value of owner-occupied housing units, 2007-2011	\$166,300	\$137,200
Households, 2007-2011	254,111	2,457,997
Persons per household, 2007-2011	2.35	2.50
Per capita money income in the past 12 months (2011 dollars), 2007-2011	\$28,526	\$24,197
Median household income, 2007-2011	\$46,737	\$43,989
Persons below poverty level, percent, 2007-2011	17.7%	16.9%
Business QuickFacts	Davidson County	Tennessee
Private nonfarm establishments, 2010	18,124	131,582 ¹
Private nonfarm employment, 2010	370,484	2,264,032 ¹
Private nonfarm employment, percent change, 2000-2010	-7.0	-5.3 ¹
Nonemployer establishments, 2010	54,350	465,545
Total number of firms, 2007	64,653	545,348
Black-owned firms, percent, 2007	11.1%	8.4%
American Indian- and Alaska Native-owned firms, percent		

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State & County QuickFacts

Wilson County, Tennessee

People QuickFacts	Wilson County	Tennessee
Population, 2012 estimate	NA	6,456,243
Population, 2011 estimate	116,617	6,399,787
Population, 2010 (April 1) estimates base	113,993	6,346,113
Population, percent change, April 1, 2010 to July 1, 2012	NA	1.7%
Population, percent change, April 1, 2010 to July 1, 2011	2.3%	0.8%
Population, 2010	113,993	6,346,105
Persons under 5 years, percent, 2011	6.1%	6.3%
Persons under 18 years, percent, 2011	24.6%	23.3%
Persons 65 years and over, percent, 2011	12.6%	13.7%
Female persons, percent, 2011	51.0%	51.3%
White persons, percent, 2011 (a)	90.2%	79.5%
Black persons, percent, 2011 (a)	6.7%	16.9%
American Indian and Alaska Native persons, percent, 2011 (a)	0.4%	0.4%
Asian persons, percent, 2011 (a)	1.2%	1.5%
Native Hawaiian and Other Pacific Islander persons, percent, 2011 (a)	0.1%	0.1%
Persons reporting two or more races, percent, 2011	1.5%	1.6%
Persons of Hispanic or Latino Origin, percent, 2011 (b)	3.4%	4.7%
White persons not Hispanic, percent, 2011	87.2%	75.4%
Living in same house 1 year & over, percent, 2007-2011	86.0%	84.1%
Foreign born persons, percent, 2007-2011	3.5%	4.5%
Language other than English spoken at home, percent age 5+, 2007-2011	4.3%	6.4%
High school graduate or higher, percent of persons age 25+, 2007-2011	87.8%	83.2%
Bachelor's degree or higher, percent of persons age 25+, 2007-2011	24.7%	23.0%
Veterans, 2007-2011	9,487	501,665
Mean travel time to work (minutes), workers age 16+, 2007-2011	27.8	24.0
Housing units, 2011	46,168	2,829,025
Homeownership rate, 2007-2011	81.0%	69.0%
Housing units in multi-unit structures, percent, 2007-2011	9.2%	18.1%
Median value of owner-occupied housing units, 2007-2011	\$190,900	\$137,200
Households, 2007-2011	42,183	2,457,997
Persons per household, 2007-2011	2.63	2.50
Per capita money income in the past 12 months (2011 dollars), 2007-2011	\$28,110	\$24,197
Median household income, 2007-2011 ✓	\$61,400	\$43,989
Persons below poverty level, percent, 2007-2011 ✓	8.5%	16.9%
Business QuickFacts	Wilson County	Tennessee
Private nonfarm establishments, 2010	2,349	131,582 ¹
Private nonfarm employment, 2010	29,161	2,264,032 ¹
Private nonfarm employment, percent change, 2000-2010	9.7	-5.3 ¹
Nonemployer establishments, 2010	9,584	465,545
Total number of firms, 2007	12,204	545,348
Black-owned firms, percent, 2007	3.7%	8.4%
American Indian- and Alaska Native-owned firms, percent.		

Midmonth Report for October 2012

* This report is a count of people taken in the middle of the month for which the report was run.
 * This report is run three months after the month of the report in an effort to reduce fluctuations in the results.

MCO	REGION	Total
AMERIGROUP COMMUNITY CARE	Middle Tennessee	200,096
BLUECARE	East Tennessee	217,919
BLUECARE	West Tennessee	179,923
TENNCARE SELECT	All	45,451
UnitedHealthcare Community Plan	East Tennessee	194,890
	Middle Tennessee	200,119
	West Tennessee	175,076
Grand Total		1,213,475

COUNTY	Female				Male				Male Total	Grand Total	
	Total				Total						
	0 - 18	19 - 20	21 - 64	65 -->	0 - 18	19 - 20	21 - 64	65 -->			
ANDERSON	3,737	304	3,308	621	7,971	3,960	205	1,618	278	6,060	14,031
BEDFORD	3,295	237	2,192	250	5,974	3,411	138	973	705	4,627	10,601
BENTON	898	81	760	153	1,892	978	47	456	66	1,547	3,439
BLED SOE	743	64	617	120	1,545	830	52	368	54	1,304	2,850
BLOUNT	5,200	438	4,409	697	10,743	5,280	282	2,024	300	7,885	18,629
BRADLEY	5,021	441	4,469	650	10,580	5,416	288	2,000	273	7,976	18,557
CAMPBELL	2,718	238	3,088	660	6,703	2,853	212	1,734	394	5,193	11,896
CANNON	706	65	613	133	1,518	799	43	318	58	1,217	2,735
CARROLL	1,686	142	1,608	336	3,772	1,898	105	830	143	2,977	6,749
CARTER	2,930	230	2,609	709	6,477	3,168	157	1,357	264	4,945	11,422
CHEATHAM	1,789	147	1,404	178	3,517	1,870	116	639	77	2,702	6,219
CHESTER	947	84	807	154	1,993	950	56	327	70	1,404	3,397
CLAIBORNE	1,864	161	1,859	539	4,423	1,913	114	1,178	249	3,454	7,876
CLAY	536	29	427	105	1,097	503	36	273	78	889	1,986
COCKE	2,575	223	2,382	464	5,644	2,623	166	1,353	230	4,371	10,015
COFFEE	3,168	260	2,652	385	6,466	3,248	159	1,161	166	4,734	11,200
CROCKETT	979	77	719	216	1,991	968	50	348	81	1,447	3,438
CUMBERLAND	2,885	225	2,330	509	5,949	3,012	179	1,168	235	4,594	10,543
DAVIDSON	36,495	2,572	27,453	3,240	69,761	37,732	1,770	10,255	1,484	51,242	121,002
DECATUR	577	58	538	203	1,377	673	46	305	74	1,099	2,475
DEKALB	1,165	77	994	197	2,433	1,260	64	535	92	1,950	4,383
DICKSON	2,562	161	2,163	323	5,209	2,665	125	904	97	3,791	8,999
DYER	2,560	229	2,295	419	5,503	2,685	151	977	142	3,955	9,458
FAYETTE	1,578	141	1,197	298	3,214	1,735	85	542	118	2,480	5,694
FENTRESS	1,285	108	1,253	381	3,027	1,396	93	800	187	2,476	5,503
FRANKLIN	1,780	167	1,517	275	3,740	1,836	92	705	110	2,743	6,483
GIBSON	2,933	258	2,604	656	6,452	3,087	218	1,117	276	4,698	11,150
GILES	1,432	142	1,255	270	3,099	1,475	85	651	109	2,320	5,419
GRAINGER	1,335	98	1,116	300	2,848	1,333	61	669	155	2,217	5,066
GREENE	3,300	252	3,081	728	7,361	3,380	180	1,661	366	5,587	12,948
GRUNDY	1,083	108	1,081	222	2,493	1,161	92	603	138	1,995	4,488
HAMBLETON	3,953	260	2,764	582	7,259	3,989	154	1,230	229	5,601	13,160
HAMILTON	15,479	1,235	13,689	2,073	32,476	16,275	811	5,365	764	23,215	55,691
HANCOCK	487	52	521	169	1,229	566	42	314	78	1,001	2,230
HARDEMAN	1,667	143	1,548	355	3,713	1,636	102	732	158	2,627	6,340
HARDIN	1,603	154	1,449	392	3,598	1,655	102	775	199	2,731	6,329
HAWKINS	3,105	298	2,845	564	6,811	3,269	164	1,464	262	5,159	11,971
HAYWOOD	1,444	128	1,326	308	3,205	1,521	97	410	113	2,141	5,346
HENDERSON	1,668	138	1,461	270	3,536	1,668	90	665	99	2,523	6,059
HENRY	1,933	155	1,606	290	3,984	1,998	130	749	118	2,996	6,980

HICKMAN	1,437	135	1,278	180	3,030	1,548	112	671	83	2,414	5,444
HOUSTON	440	48	394	118	1,000	487	32	203	74	795	1,795
HUMPHREYS	955	83	823	152	2,013	950	48	389	69	1,456	3,469
JACKSON	635	41	614	153	1,443	663	28	351	94	1,136	2,579
JEFFERSON	2,834	204	2,218	518	5,775	2,903	142	1,099	191	4,336	10,110
JOHNSON	951	79	894	296	2,220	947	70	577	160	1,753	3,974
KNOX	17,492	1,334	15,695	2,433	36,953	18,238	881	6,592	982	26,692	63,645
LAKE	423	42	523	156	1,144	508	33	219	69	829	1,974
LAUDERDALE	1,967	160	1,829	318	4,274	2,055	127	727	125	3,033	7,307
LAWRENCE	2,332	184	1,976	415	4,906	2,519	139	949	171	3,779	8,665
LEWIS	709	55	595	128	1,488	762	43	275	61	1,140	2,628
LINCOLN	1,795	158	1,409	332	3,693	1,895	101	701	123	2,819	6,512
LOUDON	2,129	138	1,531	310	4,108	2,088	94	701	118	3,000	7,108
MACON	1,594	153	1,291	259	3,297	1,715	90	675	108	2,588	5,885
MADISON	6,027	505	5,377	839	12,748	5,977	334	1,770	328	8,408	21,156
MARION	1,675	175	1,580	268	3,698	1,680	102	681	143	2,606	6,303
MARSHALL	1,634	132	1,305	175	3,246	1,690	78	558	68	2,394	5,640
MAURY	4,219	316	3,493	563	8,591	4,566	244	1,328	194	6,333	14,924
MCMINN	2,750	241	2,468	528	5,986	2,980	168	1,153	223	4,524	10,510
MCMURRY	1,722	176	1,661	414	3,973	1,779	143	914	208	3,043	7,016
MEIGS	739	67	628	86	1,521	710	55	320	49	1,134	2,655
MONROE	2,532	224	2,226	517	5,500	2,811	153	1,184	249	4,396	9,897
MONTGOMERY	6,937	567	5,760	662	13,925	7,172	312	1,818	221	9,524	23,449
MOORE	233	22	157	48	461	270	9	99	15	393	853
MORGAN	1,126	93	902	192	2,313	1,184	79	523	103	1,888	4,201
ORION	1,768	152	1,563	307	3,790	1,886	86	583	106	2,660	6,450
OVERTON	1,128	86	943	279	2,436	1,244	64	541	146	1,995	4,431
PERRY	524	40	393	87	1,044	527	32	213	41	814	1,857
PICKETT	222	22	187	97	528	270	7	128	50	455	983
POLK	910	57	829	157	1,952	950	57	460	84	1,550	3,502
PUTNAM	3,729	359	3,247	776	8,111	3,926	230	1,712	323	6,191	14,301
RHEA	2,254	178	1,811	350	4,592	2,285	119	871	139	3,415	8,007
ROANE	2,368	208	2,359	562	5,496	2,713	140	1,308	235	4,396	9,892
ROBERTSON	3,551	237	2,361	384	6,534	3,686	124	980	160	4,949	11,483
RUTHERFORD	11,385	949	8,014	990	21,337	11,841	576	2,921	370	15,709	37,046
SCOTT	1,838	158	1,691	409	4,095	1,862	124	973	195	3,154	7,249
SEQUATCHIE	900	78	758	145	1,881	955	50	434	62	1,502	3,382
SEVIER	4,778	318	3,139	466	8,701	5,110	204	1,245	171	6,730	15,431
SHELBY	69,327	6,343	56,115	6,652	138,436	71,012	4,414	15,989	2,428	93,843	232,280
SMITH	1,014	84	883	185	2,165	1,034	61	410	65	1,569	3,734
STEWART	701	50	646	122	1,519	710	26	309	58	1,102	2,621
SULLIVAN	7,087	623	6,740	1,359	15,810	7,364	409	3,389	616	11,778	27,587
SUMNER	6,696	567	5,368	819	13,449	7,156	378	2,061	303	9,898	23,347
TIPTON	3,463	343	2,595	371	6,771	3,620	211	918	149	4,898	11,669
TROUSDALE	451	40	361	84	936	458	35	184	37	715	1,651
UNICOI	914	72	813	283	2,081	1,002	54	377	130	1,563	3,644
UNION	1,301	113	921	166	2,501	1,313	73	527	89	2,002	4,503
VAN BUREN	299	28	257	61	644	331	13	155	47	546	1,190
WARREN	2,509	183	2,151	449	5,292	2,651	130	1,066	185	4,032	9,324
WASHINGTON	4,874	453	4,848	994	11,167	5,059	296	2,241	387	7,983	19,151
WAYNE	779	65	647	178	1,670	831	29	347	83	1,289	2,959
WEAKLEY	1,700	204	1,513	310	3,726	1,741	125	720	116	2,702	6,428
WHITE	1,516	130	1,285	342	3,272	1,622	93	762	120	2,597	5,869
WILLIAMSON	2,647	166	1,763	353	4,929	2,837	137	714	113	3,801	8,730
WILSON	4,107	311	3,288	508	8,215	4,301	198	1,389	192	6,080	14,294
Grand Total	341,125	28,330	284,125	47,689	701,270	355,071	19,267	117,953	19,914	512,205	1,213,474

SUPPORT LETTERS

2013 APR 11 AM 8 54



2/06/2013

Jeff Whitehorn CEO
Summit Medical Center
5655 Frist BLVD
Hermitage TN 37076

Dear Mr. Whitehorn:

Signature Healthcare LLC and Donelson Care and Rehab Center would like to offer our support for your proposed 12 bed acute inpatient rehabilitation center located at Summit Medical Center in Hermitage. Signature strives to enhance the continuum of care for the local community, and we appreciate your efforts to do so with this proposed project.

We look forward to partnering with you to ensure that your patients receive the best care post discharge while minimizing unnecessary re-hospitalizations. Please let us know how we can best be a partner as you continue to improve the healthcare care continuum for the community.

Sincerely,

A handwritten signature in black ink, appearing to read "Mick Vujanovic", with a long horizontal flourish extending to the right.

Mick Vujanovic MA NHA CNA
Regional Vice President
SIGNATURE HEALTHCARE, LLC
12201 Bluegrass Parkway
Louisville, KY 40299
Ph: 502.548.8828 Fx: 502.568.7152
mvujanovic@shccs.com



NATIONAL HEALTHCARE CORPORATION

March 8, 2013

Ms. Melanie Hill, Executive Director
State of Tennessee
Health Services & Development Agency
Frost Building, 3rd Floor
161 Rosa L. Parks Boulevard
Nashville, TN 37243

RE: TriStar Summitt Medical Center CON for the addition of Acute Care Rehab Beds

Dear Ms. Hill:

National HealthCare Corporation is the largest provider of skilled nursing care in the Middle Tennessee service area. We have 1,058 beds in 8 facilities in the Nashville-Murfreesboro-Franklin MSA, and we are a major provider of rehabilitation services. For example, NHC's 5,000 square-foot therapy gym at our Cool Springs facility in Williamson County currently has 35-40 therapists working daily with rehab patients.

As a major senior care provider, NHC knows how important it is for rehab services to be coordinated – from the trauma centers through acute care hospitals, rehab hospitals, skilled nursing facilities, home health agencies, and outpatient therapy services.

You may recall that in past years we have opposed additional rehab beds in this area. That was primarily because we did not believe coordination would be established and maintained with existing providers already operating within the community, and consequently, that services would merely be duplicated and provided in a more costly setting.

The TriStar project seems to have taken a different approach. NHC and TriStar officials have had numerous discussions regarding how we might better coordinate the distinctive services that each entity offers toward a goal of greater efficiency and improved quality of care for the patients we serve. Instead of a model where providers work totally independently of each other, we believe that TriStar is making a serious effort to establish a coordinated care model which would benefit the patients involved. For example, NHC will coordinate with TriStar and other physicians at this Rehab Unit to improve care for our patients and to also make sure that patients are treated in the appropriate setting and with appropriate protocols.

NHC leadership believes that coordination between providers is exactly where healthcare is going for improved patient care regardless of the healthcare setting.

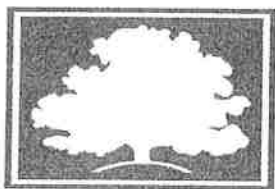
Furthermore, we are enthusiastic about this approach, and we believe patients in the service area will truly benefit from this coordinated care model being developed.

Sincerely,

NATIONAL HEALTHCARE CORPORATION

A handwritten signature in black ink, appearing to read "Bruce K. Duncan", with a long horizontal flourish extending to the right.

Bruce K. Duncan
Assistant Vice President



McKendree Village

5 February 2013

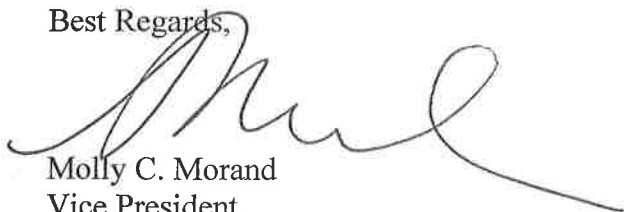
Mr. Jeff Whitehorn, CEO
Summit Medical Center
5655 Frist Boulevard
Hermitage, TN 37076.

Dear Jeff,

I am writing in support of Summit Medical Center's Certificate of Need (C.O.N.) application to add a twelve (12) bed inpatient rehabilitation unit. As you know, many of McKendree Village's residents receive care at Summit Medical Center and speak highly of the care and services they have received. In addition, I have personally met with your leadership and know they are committed to providing high quality care.

So, I very much support the approval of your request to the State of Tennessee Health Services and Development Agency to add 12 inpatient rehabilitation beds. The McKendree Village team believes this will allow more patients to benefit from the outstanding care and services provided at Summit.

Best Regards,



Molly C. Morand
Vice President

Continued from last column

prior liens and encumbrances of record. Described property located in the 10th Civil District of Sumner County, Tennessee, to wit: Being Lot 16 on the Final Subdivision plat of Thoroughbred Crossing, a plat of which is of record in Plat Book 23, Page 25, Register's Office of Sumner County, Tennessee, to which reference is hereby made for a more complete description of said lots. Street Address: 1005 Steed Court, Gallatin, Tennessee 37066. Parcel Number: 90B-A-5.00. Current Owner(s) of Property: James S. Milam and Melissa Milam, husband and wife. The street address of the above described property is believed to be 1005 Steed Court, Gallatin, Tennessee 37066, but such address is not part of the legal description of the property sold herein and in the event of any discrepancy, the legal description referenced herein shall control. SALE IS SUBJECT TO TENANT(S) RIGHTS IN POSSESSION. If applicable, the notice requirements of T.C.A. 35-5-117 have been met. All right of equity of redemption, statutory and otherwise, and homestead are expressly waived in said Deed of Trust, and the title is believed to be good, but the undersigned will sell and convey only as Substitute Trustee. If the highest bidder cannot pay the bid within twenty-four (24) hours of the sale, the next highest bidder, at their highest bid, will be deemed the successful bidder. This property is being sold with the express reservation that the sale is subject to confirmation by the lender or trustee. This sale may be rescinded at any time. Shapiro & Kirsch, LLP Substitute Trustee

Continued to next column

Continued from last column

www.kirschattorney.com Law Office of Shapiro & Kirsch, LLP 555 Perkins Road Extended, Second Floor Memphis, TN 38117 Phone (901)767-5566 Fax (901)761-5690 File No. 12-044721

0101640155
SUBSTITUTE TRUSTEE'S SALE
Sale at public auction will be on May 21, 2013 at 12:00 PM local time, at the east door, Sumner County Courthouse, Gallatin, Tennessee, conducted by Shapiro & Kirsch, LLP Substitute Trustee, pursuant to Deed of Trust executed by Jeffery C. Green, married, husband and Donna L. Green, married, wife, to Grady W. Agee, Trustee, on July 14, 2003 at Record Book 1798, Page 238; all of record in the Sumner County Register's Office. Holder: JPMorgan Chase Bank, National Association. The following real estate located in Sumner County, Tennessee, will be sold to the highest call bidder subject to all unpaid taxes, prior liens and encumbrances of record: A certain tract of parcel of land in Sumner County, State of Tennessee, described as follows, to-wit: Being Lot Number 152 on the plan of Northwoods, Phase 7, Section 2, a plat of record in Plat Book 16, Page 249, Register's Office for Sumner County, Tennessee, for which plan reference is hereby made for a more complete description. Street Address: 107 Pembroke Court, White House, Tennessee 37188. Parcel Number: 096H-A-025.00. Current Owner(s) of Property: Jeffery C. Green, a married person. Other interested parties: Department of Labor and Workforce Development and GE Money Bank assignee of HH Gregg C/O Wanda W. Cross, Attorney

Continued to next column

Continued from last column

The street address of the above described property is believed to be 107 Pembroke Court, White House, Tennessee 37188, but such address is not part of the legal description of the property sold herein and in the event of any discrepancy, the legal description referenced herein shall control. SALE IS SUBJECT TO TENANT(S) RIGHTS IN POSSESSION. If applicable, the notice requirements of T.C.A. 35-5-117 have been met. Notice of this Substitute Trustee's Sale has been timely given to the State of Tennessee as required by T.C.A. § 67-1-143(b)(1). Terms of Sale will be public auction, for cash, free and clear of rights of homestead, redemption and dower, and the rights of Jeffery C. Green, married, husband and Donna L. Green, married, wife, and those claiming through them, and subject to the right of redemption by the DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT, STATE OF TENNESSEE by reason of tax lien of record in Record Book 3070 Page 641 at the Register's Office of Sumner County, Tennessee, subject to any accrued taxes and restrictions. All right of equity of redemption, statutory and otherwise, and homestead are expressly waived in said Deed of Trust, and the title is believed to be good, but the undersigned will sell and convey only as Substitute Trustee. If the highest bidder cannot pay the bid within twenty-four (24) hours of the sale, the next highest bidder, at their highest bid, will be deemed the successful bidder. This property is being sold with the express reservation that the sale is subject to confirmation by the lender or trustee. This sale may be rescinded at any time.

Continued to next column

Continued from last column

Shapiro & Kirsch, LLP Substitute Trustee www.kirschattorney.com Law Office of Shapiro & Kirsch, LLP 555 Perkins Road Extended, Second Floor Memphis, TN 38117 Phone (901)767-5566 Fax (901)761-5690 File No. 13-047283

0101638722
SUBSTITUTE TRUSTEE'S SALE
Sale at public auction will be on 7, 2013 at 10:00 local time, at east door, Sumner County Courthouse, Gallatin, Tennessee, conducted by Shapiro & Kirsch, LLP Substitute Trustee, pursuant to Deed of Trust executed by Charlene Click, Angie Tuck, Trust on April 29, 2000, Record Book 2, Page 623, Instrument No. 880232 of record in Sumner County Register's Office. Owner of Debt: Financial Services, Inc. The following estate located in Sumner County, Tennessee, will be sold to the highest call bidder subject to all unpaid taxes, prior liens and encumbrances of record: All that certain parcel/unit of land in Sumner County, State of TN, as fully described in Record Book 2014 Page 1D number 67-1, being known designated as number 5A, on plan of the Miz Farm, recorded 03/08/2002, Filed Plat Book 20, Page 136. LOCATED UPON ABOVE-DESCRIBED PROPERTY is a Southern Lift manufactured home Serial Number DSLAL43897AB. Street Address: Wolf Hill Road, Bethpage, Tennessee 37022. Parcel Number: 16.08. Current Owner(s) of Property: Charlene Click, unmarried. The street address of the above described property is believed to be 609 Wolf Hill Road, Bethpage, Tennessee 37022.

Continued to next column

0101642102

NOTIFICATION OF INTENT TO APPLY FOR A CERTIFICATE OF NEED

This is to provide official notice to the Health Services and Development Agency and all interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that TriStar Summit Medical Center (a hospital), owned and managed by HCA Health Services of Tennessee, Inc. (a corporation), intends to file an application for a Certificate of Need to convert eight (8) inpatient psychiatric beds to medical-surgical beds, and to convert twelve (12) inpatient psychiatric beds into a new twelve (12) bed acute inpatient rehabilitation unit and service at its campus, at 5655 Frist Boulevard, Hermitage, TN 37076. Inpatient psychiatric services will no longer be provided at Summit Medical Center. The estimated capital cost is \$5,000,000.

TriStar Summit Medical Center is a general hospital licensed by the Board for Licensing Health Care Facilities, Tennessee Department of Health, for 188 hospital beds. The project will not change its licensed hospital bed complement. It will not initiate or discontinue any health service other than described above, or add any major medical equipment. Upon opening of the Summit rehabilitation unit, TriStar Skyline Medical Center will delicense ten (10) acute inpatient rehabilitation beds at its satellite campus at 500 Hospital Drive, Madison, TN 37115.

The anticipated date of filing the application is on or before April 15, 2013. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 203, Nashville, TN 37215; (615) 665-2022.

Upon written request by interested parties, a local Fact-Finding public hearing shall be conducted. Written requests for hearing should be sent to:

Health Services and Development Agency
Frost Building, Third Floor
161 Rosa Parks Boulevard
Nashville, Tennessee 37203

Pursuant to TCA Sec. 68-11-1607(c)(1): (A) any health care institution wishing to oppose a Certificate of Need application must file a written objection with the Health Services and Development Agency no later than fifteen (15) days before the regularly scheduled Health Services and Development Agency meeting at which the application is originally scheduled, and (B) any other person wishing to oppose the application must file written objection with the Health Services and Development Agency at or prior to the consideration of the application by the Agency.

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Jim 615-714-9526



State of Tennessee

Health Services and Development Agency

Frost Building, 3rd Floor, 161 Rosa L. Parks Boulevard, Nashville, TN 37243
www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

May 1, 2013

John L. Wellborn, Consultant
Development Support Group
4219 Hillsboro Road, Suite 203
Nashville, TN 37215

RE: Certificate of Need Application -- Summit Medical Center - CN1304-011

Dear Mr. Wellborn:

This is to acknowledge the receipt of supplemental information to your application for a Certificate of Need for to convert eight (8) inpatient psychiatric beds to medical surgical beds, and convert twelve (12) inpatient psychiatric beds into a new twelve (12) bed acute inpatient rehabilitation unit at the campus of TriStar Summit Medical Center. The proposed service area is Davidson and Wilson counties. Estimated project cost is \$4,933,576.00.

Please be advised that your application is now considered to be complete by this office. Your application is being forwarded to the Tennessee Department of Health and/or its representative for review.

In accordance with Tennessee Code Annotated, §68-11-1601, et seq., as amended by Public Chapter 780, the 60-day review cycle for this project will begin on May 1, 2013. The first sixty (60) days of the cycle are assigned to the Department of Health, during which time a public hearing may be held on your application. You will be contacted by a representative from this Agency to establish the date, time and place of the hearing should one be requested. At the end of the sixty (60) day period, a written report from the Department of Health or its representative will be forwarded to this office for Agency review within the thirty (30)-day period immediately following. You will receive a copy of their findings. The Health Services and Development Agency will review your application on July 24, 2013.

John L. Wellborn, Consultant
May 1, 2013
Page 2

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have questions or require additional information, please contact me.

Sincerely,



Melanie M. Hill
Executive Director

MMH:MAB

cc: Dan Henderson, Director, Division of Health Statistics



State of Tennessee

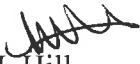
Health Services and Development Agency

Frost Building, 3rd Floor, 161 Rosa L. Parks Boulevard, Nashville, TN 37243

www.tn.gov/hsda Phone: 615-741-2364/Fax: 615-741-9884

MEMORANDUM

TO: Dan Henderson, Director
Office of Policy, Planning and Assessment
Division of Health Statistics
Cordell Hull Building, 6th Floor
425 Fifth Avenue North
Nashville, Tennessee 37247

FROM: 
Melanie M. Hill
Executive Director

DATE: May 1, 2013

RE: Certificate of Need Application
Summit Medical Center - CN1304-011

Please find enclosed an application for a Certificate of Need for the above-referenced project.

This application has undergone initial review by this office and has been deemed complete. It is being forwarded to your agency for a sixty (60) day review period to begin on May 1, 2013 and end on July 1, 2013.

Should there be any questions regarding this application or the review cycle, please contact this office.

MMH:MAB

Enclosure

cc: John L. Wellborn, Consultant

LETTER OF INTENT -- HEALTH SERVICES & DEVELOPMENT AGENCY

2013 APR 8 PM 4 11
The Publication of Intent is to be published in the Nashville Tennessean, which is a newspaper of general circulation in Davidson County, Tennessee, on or before April 10th, 2013, for one day.

interested parties, in accordance with T.C.A. Sections 68-11-1601 et seq., and the Rules of the Health Services and Development Agency, that TriStar Summit Medical Center (a hospital), owned and managed by HCA Health Services of Tennessee, Inc. (a corporation), intends to file an application for a Certificate of Need to convert eight (8) inpatient psychiatric beds to medical-surgical beds, and to convert twelve (12) inpatient psychiatric beds into a new twelve (12) bed acute inpatient rehabilitation unit and service at its campus, at 5655 Frist Boulevard, Hermitage, TN 37076. Inpatient psychiatric services will no longer be provided at Summit Medical Center. The estimated capital cost is \$5,000,000.

TriStar Summit Medical Center is a general hospital licensed by the Board for Licensing Health Care Facilities, Tennessee Department of Health, for 188 hospital beds. The project will not change its licensed hospital bed complement. It will not initiate or discontinue any health service other than described above, or add any major medical equipment. Upon opening of the Summit rehabilitation unit, TriStar Skyline Medical Center will delicense ten (10) acute inpatient rehabilitation beds at its satellite campus at 500 Hospital Drive, Madison, TN 37115.

The anticipated date of filing the application is on or before April 15, 2013. The contact person for the project is John Wellborn, who may be reached at Development Support Group, 4219 Hillsboro Road, Suite 203, Nashville, TN 37215; (615) 665-2022.

 4-8-13

(Signature)

(Date)

jwdsg@comcast.net

(E-mail Address)



STATE OF TENNESSEE
HEALTH SERVICES AND DEVELOPMENT AGENCY

500 Deaderick Street
Suite 850
Nashville, Tennessee 37243
741-2364

April 16, 2013

John Wellborn
Development Support Group
4219 Hillsboro Road, Suite 203
Nashville, Tennessee 37215

RE: Certificate of Need Application CN1304-011
Summit Medical Center

Dear Mr. Wellborn:

This will acknowledge our April 11, 2013 receipt of your application for a Certificate of need to convert eight (8) inpatient psychiatric beds to medical surgical beds, and convert twelve (12) inpatient psychiatric beds into a new twelve (12) bed acute inpatient rehabilitation unit at the campus of TriStar Summit Medical Center.

Several items were found which need clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses in triplicate by 12:00 noon, Monday April 22, 2013. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

1. Section A, Applicant Profile, Item 2

Please provide a full contact phone number and submit a replacement page.

2. Section A, Applicant Profile, Item 8

The applicant is proposing to convert eight (8) inpatient psychiatric beds to medical surgical beds, and twelve (12) inpatient psychiatric beds into a new twelve (12) bed acute inpatient rehabilitation unit. Please check box G. Change in bed complement and resubmit a replacement page.

3. Section B, Project Description, Item I.

The applicant states 82% of Summit's admissions historically have come from Davidson and Wilson counties. Please verify the data source for this information. Please re-verify.

On the top of page 6 the applicant states the total rehabilitation days provided in the downtown area decreased 15%, while the rehabilitation days provided in the Davidson County suburbs increased 56%. Please confirm the data source and statistics to back this statement.

On page 6 the applicant states there are two non-operational programs with forty-one (41) licensed, but unusable and unstaffed, rehabilitation beds. Please provide the data source and the two facilities the applicant is referring to.

Please provide a brief overview of the psychiatric services that are currently available at Summit Medical Center. In your response, please indicate the following: population and ages served, the number of private and semi-private rooms, outpatient programs and collaboration with managed care organizations and the Tennessee Department of Mental Health of the possible inpatient 20 bed psychiatric closure.

4. Section B, Project Description, Item II.

On page 11 the applicant states "historic and projected utilization and occupancies for all categories of beds are projected in Attachment Four, Section C (II) 4 of the application". The referenced attachment could not be found in the application. Please clarify.

5. Section B, Project Description, Item II.C.

The applicant states Summit is one of eighteen (18) Joint Commissioned designated Primary Stroke Centers in the state. Please indicate if there are other Joint Commissioned designated Primary Stroke Centers in the proposed service area.

What percentage of admissions to the proposed rehab unit will be classified as stroke victims?

On page 15 of the application under heading "Need to Reassign Beds to an Orthopedic Unit", the applicant states "on 23% of those days, the surgical beds had higher than 90% occupancy, calculated by the standard method using midnight census. Please clarify and define the "standard method using midnight census."

Please provide a line chart that displays the daily occupancy percentage or census over the past year with a line signifying 80%.

6. Need, Item 1. (Service Specific Criteria-Comprehensive Inpatient Rehabilitation Services, #2)

The applicant appears to have made an error in calculating an 80% occupancy in the following formula: $44,086 \text{ actual rehabilitation days} / 365 / 80\% = 151$. It appears the actual days should have been multiplied by 80% instead of dividing. Please clarify.

7. Need, Item 1. (Service Specific Criteria-Comprehensive Inpatient Rehabilitation Services, #6)

The applicant states the "Southern Hills' unit has grown in utilization so rapidly that the HSDA recently approved it to add four more rehabilitation beds (by conversion) regardless of the rehabilitation bed need criteria in the guidelines." . Please clarify this statement. Please provide the Project Name and Number of the referenced project.

Please indicate if McFarland Specialty Hospital is associated with a general hospital.

The applicant states driving away from Nashville to rural Lebanon (for rehab services) is not a reasonable option. Please clarify if McFarland Specialty Hospital is located in a rural or urban setting. What is the population of Lebanon and Wilson County and their statewide population ranking?

The applicant states "see McFarland's 2011 Joint Annual Report." Please indicate where this report is located in the application.

8. Need, Item 1. (Service Specific Criteria-Comprehensive Inpatient Rehabilitation Services, #6)

The applicant states "staffing requirements and resources for the project are set forth in response C.15 below. Please indicate the location of C.15 in the application.

9. Need, Item 1. (Service Specific Criteria-Acute Care Services, #2)

In table Nine, the applicant appears to have used 2012-2016 TN Department of Health Bed Need Projections in parts of the table. Please verify and revise.

10. Section C, Need, Item 2.

The applicant reference's in the application HCA TriStar's long-term plan to distribute acute rehabilitation services to suburban locations closer to patient's homes. Please discuss this plan and timeframe of implementation.

11. Section C, Need, Item 3

The applicant states Summit Medical Center receives approximately 82% of its admissions from Davidson and Wilson counties. Please re-verify this percentage by referencing the 2011 JAR.

12. Section C, Need, Item 4.B.

Please verify if there are any federal designated medically underserved areas in the proposed service area.

13. Section C, Need, Item 5

Please discuss existing rehabilitation beds in Davidson County that are not available to patients due to serious facility licensure issues or due to a lack of need in their current location.

In table Eight-B on page 36 of the application, the applicant states the table reflects inpatient facilities that have reported 2012 Joint Reports. A query of the Tennessee Department of Health's web-site reflects there are no 2012 JAR reports on file for Skyline Medical Center and Southern Hills Medical Center. Please clarify.

14. Section C, Need, Item 6.

On page 38 the applicant provides a table of Summit Medical Center's annual discharges to acute rehabilitation discharges for 2011 and 2012. Please provide a breakdown of where the 195 discharges were transferred to receive inpatient rehabilitation services in 2012.

15. Section C. Economic Feasibility Item 1 (Project Cost Chart) and Item 3

The Architect's letter in the attachments lists the construction costs as \$3,293,660. However, 22,218 SF multiplied by \$149.00 is \$3,310,482. Please clarify.

16. Section C, Economic Feasibility, Item 4 (Historical Data Chart)

On the historical data chart, for line B.4. the applicant refers to "notes". Please indicate where these notes are located.

The management fees for 2011 in the Historical Data chart in the amount of \$10,588,602 are not the same figures as those listed in the table on page 52 as \$11,019,000. Please clarify.

Please explain the reason "Other Expenses" as listed in D.9 increased from \$50,381,249 in 2010 to \$60,000,150 in 2012.

Please clarify why there are no Physician Salaries and Wages assigned under D.2 in the Historical Data Chart for years 2010 through 2012.

The table on page 52 is listed as D.8, other expenses and should be listed as D.9 other expenses. Please revise.

Please clarify how management fees are calculated. The management percentage fee of 7.2% for 2010 and 2011, and 5.8% for 2012 multiplied by Net Operating Revenue varies from the amount that is listed on page 52.

Please explain the reason why management fees declined from 7.2% in 2010 to 5.8% in 2012.

17. Section C, Economic Feasibility, Item 4 (Projected Data Chart)

The management fee calculation for Year 2012 and 2015 appears to be incorrect. The management fee of 5.8% applied to Net Operating Revenue for 2014 and 2015 is \$282,924 and \$303,978, respectively. Please verify.

18. Section C, Economic Feasibility, Item 5 (Historical Data Chart)

The calendar years of 2013 and 2014 on the provided table do not match the years listed on the Projected Data chart. Please revise.

19. Section C, Economic Feasibility, Item 6.B.

Please compare the applicant's proposed rehabilitation charges to McFarland Specialty Hospital's Inpatient Rehabilitation charges.

The first column year of 2013 in Table Eighteen on page 57 does not match the year of 2014 in the title of the table. Please clarify.

20. Section C, Orderly Development, Item 1.

Please list the managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual agreements for health services.

21. Section C, Orderly Development, Item 2.

Please indicate how the proposed rehabilitation project will minimally impact non-HCA providers that provide inpatient rehabilitation services such as McFarland Specialty Hospital.

22. Section C, Orderly Development, Item 3

There appears to be discrepancies with the Tennessee Department of Labor (TDOL) average clinical salaries for the Mid-State on page 64 and the proposed project clinical salaries in the table on page 65. For instance, the RN upper hourly range of \$27.00 an hour is below the mean, median and experienced TDOL regional surveyed salaries. In addition, the Occupational Therapist and Social Worker wages for the proposed project appear to be above the "experienced" level of salaries. Please clarify.

23. Section C, Orderly Development, Item 4

Please indicate the plans for the staff of the current Summit inpatient psychiatric unit.

24. Section C, Orderly Development, Item 7 (d)

The copy of the most recent Joint Commission Survey is noted. Please provide documentation that all identified Joint Commission deficiencies were addressed through an approved plan of correction.

25. Affidavit

A signed and notarized affidavit must be submitted with each filing of an application and supplemental information. An affidavit was not included with this application. Please submit a completed affidavit for the original application and one for the supplemental information. Please note there is an affidavit form for the original filing and a separate form for supplemental responses.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application, the sixtieth (60th) day after written notification is Friday, June 14, 2013. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4)(d)(2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Resubmittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.
- (2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

A handwritten signature in dark ink, reading "Phillip M. Earhart". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Phillip M. Earhart
Health Services Development Examiner

PME

Enclosure



STATE OF TENNESSEE
HEALTH SERVICES AND DEVELOPMENT AGENCY
500 Deaderick Street
Suite 850
Nashville, Tennessee 37243
741-2364

April 22, 2013

John Wellborn
Development Support Group
4219 Hillsboro Road, Suite 203
Nashville, Tennessee 37215

RE: Certificate of Need Application CN1304-011
Summit Medical Center

Dear Mr. Wellborn:

This will acknowledge our April 19, 2013 receipt of your supplemental response for a Certificate of Need to convert eight (8) inpatient psychiatric beds to medical surgical beds, and convert twelve (12) inpatient psychiatric beds into a new twelve (12) bed acute inpatient rehabilitation unit at the campus of TriStar Summit Medical Center.

Several items were found which need additional clarification or additional discussion. Please review the list of questions below and address them as indicated. The questions have been keyed to the application form for your convenience. I should emphasize that an application cannot be deemed complete and the review cycle begun until all questions have been answered and furnished to this office.

Please submit responses in triplicate by 12:00 noon, Monday April 29, 2013. If the supplemental information requested in this letter is not submitted by or before this time, then consideration of this application may be delayed into a later review cycle.

1. Section C, Need, Item 2.

The applicant response to HCA TriStar's long-term plan to distribute acute rehabilitation services is noted. In that response the applicant stated "with CON

approvals, TriStar Skyline and TriStar Horizon implemented inpatient rehabilitation several years ago in northern Davidson County and in Dickson County just east of Nashville." Please clarify the location of TriStar's Horizon Medical Center's rehabilitation beds in relation to Nashville.

2. Section C, Economic Feasibility, Item 4 (Historical Data Chart)

Please specify B.4. "Other Operating Revenue" on the Historical Data Chart in the amounts of \$2,089,089 in 2010 and \$2,369,663 in 2011.

3. Section C, Economic Feasibility, Item 4 (Projected Data Chart)

The Provisions for Bad Debt for the Year 2015 in the amount of \$520,040 appears to be incorrect. Please verify.

In accordance with Tennessee Code Annotated, §68-11-1607(c) (5), "...If an application is not deemed complete within sixty (60) days after written notification is given to the applicant by the agency staff that the application is deemed incomplete, the application shall be deemed void." **For this application, the sixtieth (60th) day after written notification is Friday, June 14, 2013. If this application is not deemed complete by this date, the application will be deemed void.** Agency Rule 0720-10-.03(4)(d)(2) indicates that "Failure of the applicant to meet this deadline will result in the application being considered withdrawn and returned to the contact person. Resubmittal of the application must be accomplished in accordance with Rule 0720-10-.03 and requires an additional filing fee." Please note that supplemental information must be submitted timely for the application to be deemed complete prior to the beginning date of the review cycle which the applicant intends to enter, even if that time is less than the sixty (60) days allowed by the statute. The supplemental information must be submitted with the enclosed affidavit, which shall be executed and notarized; please attach the notarized affidavit to the supplemental information.

If all supplemental information is not received and the application officially deemed complete prior to the beginning of the next review cycle, then consideration of the application could be delayed into a later review cycle. The review cycle for each application shall begin on the first day of the month after the application has been deemed complete by the staff of the Health Services and Development Agency.

Any communication regarding projects under consideration by the Health Services and Development Agency shall be in accordance with T.C.A. § 68-11-1607(d):

- (1) No communications are permitted with the members of the agency once the Letter of Intent initiating the application process is filed with the agency. Communications between agency members and agency staff shall not be

prohibited. Any communication received by an agency member from a person unrelated to the applicant or party opposing the application shall be reported to the Executive Director and a written summary of such communication shall be made part of the certificate of need file.

- (2) All communications between the contact person or legal counsel for the applicant and the Executive Director or agency staff after an application is deemed complete and placed in the review cycle are prohibited unless submitted in writing or confirmed in writing and made part of the certificate of need application file. Communications for the purposes of clarification of facts and issues that may arise after an application has been deemed complete and initiated by the Executive Director or agency staff are not prohibited.

Should you have any questions or require additional information, please do not hesitate to contact this office.

Sincerely,

A handwritten signature in cursive script, reading "Phillip M. Earhart". The signature is written in dark ink and is positioned below the word "Sincerely,".

Phillip M. Earhart
Health Services Development Examiner

PME

Enclosure

COPY-

SUPPLEMENTAL-1

Summit Medical Ctr.-Rehab

CN1304-011

2013 APR 19 PM 3:42

April 19, 2013

Phillip M. Earhart, Health Planner III
Tennessee Health Services and Development Agency
161 Rosa L. Parks Boulevard
Nashville, Tennessee 37203

RE: CON Application #CN1304-011
Summit Medical Center--Rehabilitation Service & Bed Conversion

Dear Mr. Earhart:

This letter responds to your recent request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit. Please note that some responses will be forwarded under separate cover.

1. Section A, Applicant Profile, Item 2

Please provide a full contact phone number and submit a replacement page.

Revised page 1R is attached following this page.

2. Section A, Applicant Profile, Item 8

The applicant is proposing to convert eight (8) inpatient psychiatric beds to medical surgical beds, and twelve (12) inpatient psychiatric beds into a new twelve (12) bed acute inpatient rehabilitation unit. Please check box G. Change in bed complement and resubmit a replacement page.

Revised page 2R is attached following this page.

3. Section B, Project Description, Item I.

a. The applicant states 82% of Summit's admissions historically have come from Davidson and Wilson counties. Please verify the data source for this information. Please re-verify.

The 2011 Joint Annual Report for Summit Medical Center indicates that 84% of its admissions came from Davidson and Wilson Counties. That percentage in the 2010 Joint Annual Report was also 84%. Attached is revised page 31R.

PART A**1. Name of Facility, Agency, or Institution**

Summit Medical Center		
<i>Name</i>		
5655 Frist Boulevard	Davidson	
<i>Street or Route</i>	<i>County</i>	
Hermitage	TN	37076
<i>City</i>	<i>State</i>	<i>Zip Code</i>

2. Contact Person Available for Responses to Questions

John Wellborn		Consultant	
<i>Name</i>		<i>Title</i>	
Development Support Group		jwdsg@comcast.net	
<i>Company Name</i>		<i>E-Mail Address</i>	
4219 Hillsboro Road, Suite 203	Nashville	TN	37215
<i>Street or Route</i>	<i>City</i>	<i>State</i>	<i>Zip Code</i>
CON Consultant	615-665-2022	615-665-2042	
<i>Association With Owner</i>	<i>Phone Number</i>	<i>Fax Number</i>	

3. Owner of the Facility, Agency, or Institution

HCA Health Services of Tennessee, Inc.	615-441-2357
<i>Name</i>	<i>Phone Number</i>
Same as in #1 above	
<i>Street or Route</i>	<i>County</i>
Hermitage	TN 37076
<i>City</i>	<i>State</i> <i>Zip Code</i>

4. Type of Ownership or Control (Check One)

A. Sole Proprietorship		F. Government (State of TN or Political Subdivision)	
B. Partnership		G. Joint Venture	
C. Limited Partnership		H. Limited Liability Company	
D. Corporation (For-Profit)	x	I. Other (Specify):	
E. Corporation (Not-for-Profit)			

**PUT ALL ATTACHMENTS AT THE BACK OF THE APPLICATION IN ORDER AND
REFERENCE THE APPLICABLE ITEM NUMBER ON ALL ATTACHMENTS**

5. Name of Management/Operating Entity (If Applicable) NA

<i>Name</i>		
<i>Street or Route</i>	<i>County</i>	
<i>City</i>	<i>State</i>	<i>Zip Code</i>

6. Legal Interest in the Site of the Institution (Check One)

A. Ownership	x	D. Option to Lease	
B. Option to Purchase		E. Other (Specify):	
C. Lease of _____ Years			

7. Type of Institution (Check as appropriate—more than one may apply)

A. Hospital (Specify): General	x	I. Nursing Home	
B. Ambulatory Surgical Treatment Center (ASTC) Multi-Specialty		J. Outpatient Diagnostic Center	
C. ASTC, Single Specialty		K. Recuperation Center	
D. Home Health Agency		L. Rehabilitation Center	
E. Hospice		M. Residential Hospice	
F. Mental Health Hospital		N. Non-Residential Methadone	
G. Mental Health Residential Facility		O. Birthing Center	
H. Mental Retardation Institutional Habilitation Facility (ICF/MR)		P. Other Outpatient Facility (Specify):	
		Q. Other (Specify):	

8. Purpose of Review (Check as appropriate—more than one may apply)

A. New Institution		G. Change in Bed Complement Please underline the type of Change: Increase, Decrease, <u>Designation</u> , Distribution, <u>Conversion</u> , Relocation	x
B. Replacement/Existing Facility		H. Change of Location	
C. Modification/Existing Facility	x	I. Other (Specify):	
D. Initiation of Health Care Service as defined in TCA Sec 68-11-1607(4) (Specify) <i>Acute IP Rehabilitation</i>	x		
E. Discontinuance of OB Service			
F. Acquisition of Equipment			

C(1).3. IDENTIFY THE PROPOSED SERVICE AREA AND JUSTIFY THE REASONABLENESS OF THAT PROPOSED AREA. SUBMIT A COUNTY-LEVEL MAP INCLUDING THE STATE OF TENNESSEE CLEARLY MARKED TO REFLECT THE SERVICE AREA. PLEASE SUBMIT THE MAP ON A 8-1/2" X 11" SHEET OF WHITE PAPER MARKED ONLY WITH INK DETECTABLE BY A STANDARD PHOTOCOPIER (I.E., NO HIGHLIGHTERS, PENCILS, ETC.).

Summit Medical Center receives approximately 84% of its admissions from Davidson and Wilson Counties. On a sub-county level, Summit receives most of its admissions from eastern Davidson County and western Wilson County, for whom it is an important hospital resource. Because HCA TriStar's experience is that the great majority of its rehabilitation units' admissions are patients discharged from the hospital of which they are a part, it is logical to assume that Davidson and Wilson Counties will also be the primary service area for the proposed rehabilitation service. Table Ten below reflects that assumption; its percentages mirror the experience of the hospital in CY2011.

A service area map and a map showing the location of the service within the State of Tennessee are provided as Attachments C, Need--3 at the back of the application.

Table Ten: Projected Patient Origin Summit Medical Center Acute Inpatient Rehabilitation Unit			
PSA County	Percent of Total	Yr. 1 Admissions	Yr. 2 Admissions
Davidson	55.8%	151	158
Wilson	28.4%	77	81
PSA Subtotal	84.2%	228	239
Other Counties or States (<3% each)	15.8%	42	45
Total	100.0%	270	284

Source: Applicant's CY2011 Joint Annual Report; admissions from Projected Data Chart.

Page Two
April 19, 2013

b. On the top of page 6 the applicant states the total rehabilitation days provided in the downtown area decreased 15%, while the rehabilitation days provided in the Davidson County suburbs increased 56%. Please confirm the data source and statistics to back this statement.

That statement uses data from Table Six on page 14 of the application. Table Six data were derived from Table 13-B on page 37, which relied on Joint Annual Report data. Attached following this page are the specific calculations for the trends shown in Table Six, and a revised page 14R with a correction to the Table Six footnotes (no change in the data).

c. On page 6 the applicant states there are two non-operational programs with forty-one (41) licensed, but unusable and unstaffed, rehabilitation beds. Please provide the data source and the two facilities the applicant is referring to.

There are 10 non-operational rehabilitation beds at the TriStar Skyline Medical Center satellite campus in Madison. The applicant knows this because Summit and Skyline are sister hospitals owned by the same system (HCA TriStar). The bed status is verified in Skyline Medical Center Madison's JAR's, which show no rehabilitation admissions in recent years.

There are 31 non-operational rehabilitation beds at Nashville Rehabilitation Hospital (NRH). At NRH's request, on January 21, 2010, the Board for Licensing Healthcare Facilities gave NRH's 31-bed license "inactive status" for a two-year period. Inactive status was extended for one year on Feb. 7, 2013. See attached documents following this page. The TDOH website indicates that NRH has not filed a Joint Annual Report after 2008. The facility's phone number has been disconnected.

Summit Medical Center CN1304-011 (Rehabilitation Service)
Data Utilized in Table Six, p. 14

Table Six Detail--Movement of Rehabilitation Patient Days (PD) Davidson County CY2008-CY2011					
	2008 PD	% of Tot PD	2011 PD	% of Tot PD	% Change 2008-2011
<i>Central Facilities</i>					
Baptist	6,135		6,041		
VU Stallworth	22,233		22,180		
Nashv. Rehab. Hosp.	4,831		0		
Central, Subtotal	33,199	80%	28,221	68%	- 15%
<i>Suburban Facilities</i>					
Skyline	8,329		11,306		
So. Hills	0		1,765		
Suburban, Subtotal	8,329	20%	13,071	32%	+56%
Davidson Co. Total	41,528		41,292		- 0.6%

Source: Joint Annual Reports of Hospitals, 2011, from Table Thirteen-B, CON application.

a desire to utilize acute rehabilitation not just in tertiary downtown hospitals, but also in suburban hospitals closer to where they and their support groups live, and where they often receive hospital care. Table Six below illustrates that there has been a significant shift of rehabilitation admissions recently, from downtown centers to suburban locations. From 2008 to 2011, downtown rehabilitation admissions shrank by 15% while suburban rehabilitation admissions increased 56%. The suburban market share increased from 20% in 2008 to 32% in 2011, while the central Davidson County share decreased from 80% to 68% in that period. And during this, the total days of rehabilitation provided in Davidson County has remained stable. This has been an orderly redistribution of resources.

Table Six: Movement of Rehabilitation Patient Days in Davidson County CY2008-CY2011			
Location	CY 2008	CY 2011	Change '08-'11
Central County	33,199 (80%)	28,221 (68%)	-15%
Suburban County Areas	8,329 (20%)	13,071 (32%)	+56%
Totals	41,528	41,292	

Source: Joint Annual Reports, 2008-2011. Central providers were Vanderbilt Stallworth, Baptist, and Nashville Rehabilitation Hospital (closed). Suburban providers were Skyline and Southern Hills Medical Centers. See Table Thirteen-B for detailed data.

Fifth, there is a need to correct a disparity of resources within greater Nashville. Summit's populous service area in far eastern Davidson County and nearby Wilson County is the only suburban area with a local hospital that does not offer inpatient acute rehabilitation care. Certificates of Need for this service have been granted to the suburban hospitals north, south, and west (Dickson) of Nashville. The eastern side of this large county needs a comparable service option.

Sixth, this project will not have major adverse impacts on other providers of rehabilitation care in either Davidson or Wilson Counties.

With respect to hospitals, the beds actually available in Davidson County in CY2011 operated at approximately 72% utilization--which is financially sound, and is consistent with the 75% occupancy that the Guidelines for Growth recommend for programs up to 30 beds.

Nashville Rehabilitation Hospital of Nashville
Rule Making Hearing
Board for Licensing Health Care Facilities
January 21, 2010 Meeting

Attendees:

Turned over to Erin Begley, Staff Attorney

No Chairman or Chairman pro-tem present
Elect Chairman for this meeting - ?????????
Quorum established

New member Dr. John Marshall replacing Carlyle Walton
Dr. Larry Arnold
Dr. Thomas Carr
Elizabeth Chadwell
Alex Gaddy
Paula Collier
Mike Hahn
Sara Snodgrass
Janice Hill
James Weatherington
Dr. Jennifer Gordon Maloney
Dr. Norman Jones
Carissa Lynch
Robert Gordon
Luke Gregory
Annette Marlor
Dixie Taylor Huff
Dr. John Winter

Agency Reps:

Elizabeth Chadwell
Anne Rutherford Reed
???
????
???

Nashville Rehabilitation Hospital, Nashville

Representative(s): Colbey Reagan, Operations Counsel for Psychiatric Solutions

Male: Representative not here, will be here at 1:00. You can approve or disapprove now or we can do it later.

Female: I will go ahead and read what the request is.

Request: This 31 bed hospital is requesting to place their license on inactive licensure status effective December 4, 2009. The last patient was discharged and the hospital operations have ceased effective December 2, 2009.

Female: Would the approval of this not be consistent with what we have done today? I move that we approve this request.

Male: Motion has been made to approve the request, it has been seconded, any discussion?

Male: Just a question, "Is there a period of time that

Female: I would refer to the letter that would be contained within the packet, I would say that since it is not on here they probably didn't specify an amount of time, because we generally capture that if it was there.

Male: I have no problem with it????

Female: Two years.

Another Female: Whatever the Board desires.

Male: OK.

Male: Do you still second that motion? OK. All in favor, I....any oppose.....thank you. Looks like we have reached the finale.

Subject: RE: Nashville Rehab
Date: Wednesday, April 17, 2013 3:47 PM
From: Ann R. Reed <Ann.R.Reed@tn.gov>
To: John Wellborn <jwdsg@comcast.net>

The license has not expired. The facility requested another extension of the inactive status at the Feb. 7th, 2013 meeting. These minutes are not available as of today. The request was granted for an additional one year.



Ann Rutherford Reed, RN, BSN, MBA
Director of Licensure
Division of Health Licensure and Regulation
Office of Health Care Facilities
227 French Landing, Suite 501
Heritage Place MetroCenter
Nashville, TN. 37243
Telephone (615)741-7221
Fax (615)253-8798
ann.r.reed@tn.gov <mailto:ann.r.reed@tn.gov>

Connect with TDH on [Facebook](#) and [Twitter@TNDeptofHealth!](#)

"The mission of the Tennessee Department of Health is to protect, promote, and improve the health and prosperity of people in Tennessee."

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From: John Wellborn [mailto:jwdsg@comcast.net]

Page Three
April 19, 2013

d. Please provide a brief overview of the psychiatric services that are currently available at Summit Medical Center. In your response, please indicate the following: population and ages served, the number of private and semi-private rooms, outpatient programs and collaboration with managed care organizations and the Tennessee Department of Mental Health of the possible inpatient 20 bed psychiatric closure.

Summit's psychiatric unit serves only the adult population (ages 18+). It is on a dedicated floor with 20 private patient rooms. It does not provide an outpatient program. In CY2012, Summit discharged a total of 647 patients from that unit, and provided 4,294 patient days of care with an average daily census of 11.8.

The applicant has contacted the Department of Mental Health about the possible need for future collaboration concerning the consolidation of inpatient psychiatric services into the larger adult program at Skyline Medical Center Madison. However, before a CON is granted to convert the underutilized Summit psychiatric floor to other types of services, it is premature to initiate further activity with that Department.

If this CON application is approved, appropriate collaboration will be initiated by Summit to assure that timely and adequate notice is provided to the public and to stakeholders, including area Emergency Medical Services personnel and agencies that have been Summit's referral sources for this service. Also, at the appropriate time, contracted managed care plans (including TennCare MCOs) will be advised of the termination of the inpatient psychiatric service at Summit and its consolidation at Skyline Medical Center Madison.

Page Four
April 19, 2013

4. Section B, Project Description, Item II.

a. On page 11 the applicant states “historic and projected utilization and occupancies for all categories of beds are projected in Attachment Four, Section C (II) 4 of the application”. The referenced attachment could not be found in the application. Please clarify.

The quoted reference contains an error. The utilization data are in Table Sixteen, Section C(I)6, p. 42 of the application. Revised page 11R is attached following this page, to correct the reference.

5. Section B, Project Description, Item II.C.

a. The applicant states Summit is one of eighteen (18) Joint Commissioned designated Primary Stroke Centers in the state. Please indicate if there are other Joint Commissioned designated Primary Stroke Centers in the proposed service area.

A list of the Joint Commission Accredited Primary Stroke Centers in Tennessee is attached following this page. The page provides a link to the Commission website where this information is posted.

b. What percentage of admissions to the proposed rehab unit will be classified as stroke victims?

Table 19 on page 58 of the application shows that in Years One and Two, stroke admissions will be 70 and 74 persons respectively, which is 25.9% and 26.0% respectively.

c. On page 15 of the application under heading “Need to Reassign Beds to an Orthopedic Unit”, the applicant states “on 23% of those days, the surgical beds had higher than 90% occupancy, calculated by the standard method using midnight census. Please clarify and define the “standard method using midnight census.”

The midnight census is a head count of patients in the hospital, taken at midnight each night. It is the standard method used by HCA to monitor census activity on a daily basis. It identifies the number of beds occupied at midnight by inpatients, observation patients, and Emergency Department patients awaiting admission.

B.II.B. IDENTIFY THE NUMBER AND TYPE OF BEDS INCREASED, DECREASED, CONVERTED, RELOCATED, DESIGNATED, AND/OR REDISTRIBUTED BY THIS APPLICATION. DESCRIBE THE REASONS FOR CHANGE IN BED ALLOCATIONS AND DESCRIBE THE IMPACT THE BED CHANGE WILL HAVE ON EXISTING SERVICES.

Table Four: Proposed Changes in Assignment of Licensed Hospital Beds at Summit Medical Center		
Bed Assignment	Current Assignment	Proposed Assignment (Change)
General Medical-Surgical	110	118 (+8)
Critical Care	24	24
NICU	10	10
Obstetrics	24	24
Psychiatric	20	0 (-20)
Rehabilitation	0	12 (+12)
Total Licensed Complement	188	188

Note: Simultaneous with the 12-bed increase at this facility, an affiliated HCA hospital in the same county will reduce its total licensed complement by 10 rehabilitation beds.

The historic and projected utilization and occupancies for all categories of beds are projected in Attachment Sixteen, Section C(I)6, p. 42 of the application.

The reason for reallocating 12 psychiatric beds to a new rehabilitation unit is that residents of Summit's service area--eastern Davidson County and western Wilson County--need better access to acute inpatient rehabilitation care. Summit discharges a large number of patients who need rehabilitation. Almost all of this unit (10 of its 12 beds) will be a relocation of rehabilitation beds already licensed to Summit's parent organization in the same county—moving from a location where they are not being used, to a location where they are needed. The reason for reallocating 8 psychiatric beds to a new orthopedic unit is to provide needed surgical bed capacity. The surgical beds at Summit (all on its 5th floor) are very highly occupied, as are all the medical-surgical beds. More capacity is needed. See the discussions in Sections B.II.C. and C(II)4 below.

The project will require discontinuing Summit's adult psychiatric program, a 20-bed unit with only 59% occupancy in CY2012. However, Summit's sister hospital in north Davidson County, TriStar Skyline Medical Center, will integrate those patients into its much larger program, so that accessibility to care, and quality of care, will not be adversely affected. Skyline's beds are not yet optimally utilized and this addition of census will increase the efficiency of its utilization.

Certification Program	Organization Name	City	State	Certification Decision	Effective Date
Comprehensive Stroke Center	Fort Sanders Medical Center	Knoxville	TN	Certification	2/8/2013
Comprehensive Stroke Center	Skyline Medical Center	Nashville	TN	Certification	2/1/2013
Primary Stroke Center	Centennial Medical Center	Nashville	TN	Certification	11/3/2012
Primary Stroke Center	Southern Hills Medical Center	Nashville	TN	Certification	6/25/2010
Primary Stroke Center	Saint Thomas Hospital	Nashville	TN	Certification	4/14/2011
Primary Stroke Center	Vanderbilt University Hospital	Nashville	TN	Certification	3/14/2012
Primary Stroke Center	NorthCrest Medical Center	Springfield	TN	Certification	11/10/2012
Primary Stroke Center	UT Medical Center	Knoxville	TN	Certification	11/5/2010
Primary Stroke Center	Blount Memorial Hospital, Inc.	Maryville	TN	Certification	7/24/2012
Primary Stroke Center	Methodist Healthcare Hospitals	Memphis	TN	Certification	10/8/2011
Primary Stroke Center	Middle Tennessee Medical Center	Murfreesboro	TN	Certification	11/19/2011
Primary Stroke Center	Baptist Hospital	Nashville	TN	Certification	6/2/2012
Primary Stroke Center	Wellmont Bristol Medical Center	Bristol	TN	Certification	2/14/2012
Primary Stroke Center	Summit Medical Center	Hermitage	TN	Certification	11/29/2011
Primary Stroke Center	Erlanger Health System	Chattanooga	TN	Certification	3/10/2012
Primary Stroke Center	Horizon Medical Center	Dickson	TN	Certification	1/22/2013
Primary Stroke Center	Johnson City Medical Center	Johnson City	TN	Certification	4/22/2011
Primary Stroke Center	StoneCrest Medical Center	Smyrna	TN	Certification	5/7/2010
Primary Stroke Center	Hendersonville Hospital Corporation	Hendersonville	TN	Certification	1/30/2013
Primary Stroke Center	AMISUB (SFH), Inc	Memphis	TN	Certification	12/4/2012
Stroke Rehabilitation	HealthSouth Rehabilitation Hospital	Kingsport	TN	Certification	2/15/2013
Stroke Rehabilitation	HealthSouth Rehabilitation Hospital	Memphis	TN	Certification	12/13/2012
Stroke Rehabilitation	Rebound, LLC	Martin	TN	Certification	9/26/2012
Stroke Rehabilitation	HealthSouth Chattanooga Rehab	Chattanooga	TN	Certification	2/14/2013
Stroke Rehabilitation	HealthSouth Rehabilitation Hospital	Memphis	TN	Certification	1/28/2012
Stroke Rehabilitation	Vanderbilt Stallworth Rehabilitation	Nashville	TN	Certification	11/2/2011

Source: <http://www.qualitycheck.org/StrokeCertificationList.aspx>

SUPPLEMENTAL

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d. Please provide a line chart that displays the daily occupancy percentage or census over the past year with a line signifying 80%.

Two charts are attached following this page. They show the occupancy of Summit's (a) medical-surgical beds and (b) surgical beds by themselves.

6. Need, Item 1. (Service Specific Criteria-Comprehensive Inpatient Rehabilitation Services, #2)

The applicant appears to have made an error in calculating an 80% occupancy in the following formula: $44,086 \text{ actual rehabilitation days} / 365 / 80\% = 151$. It appears the actual days should have been multiplied by 80% instead of dividing. Please clarify.

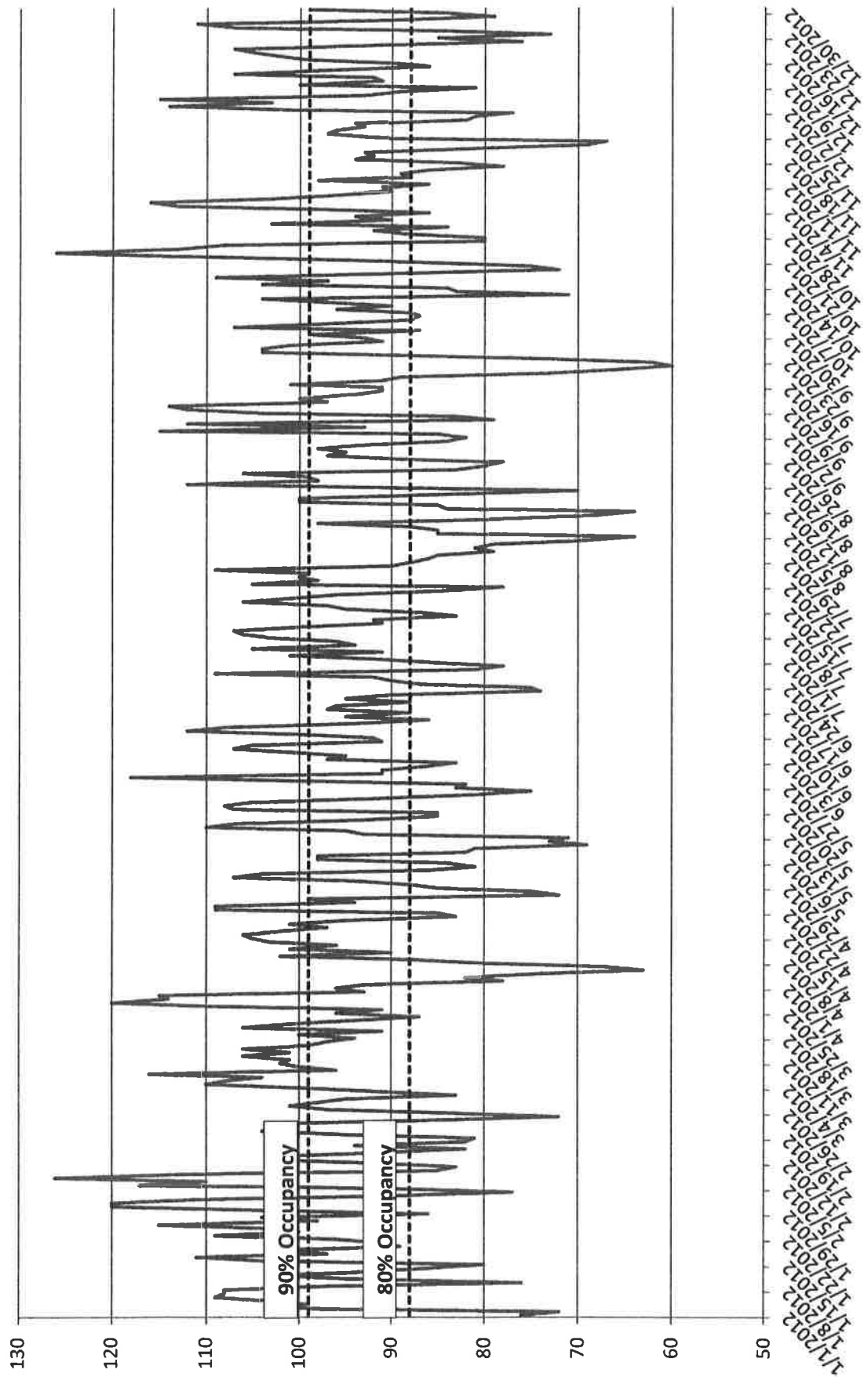
It was correct. The actual demand for acute rehabilitation in the service area in 2011 was for 44,086 days of care, because that is what was actually provided in area hospitals.

That number of days would have required 151 beds operating at 80% occupancy—twice as many beds as the Guideline bed need formula says are needed. The calculation is:

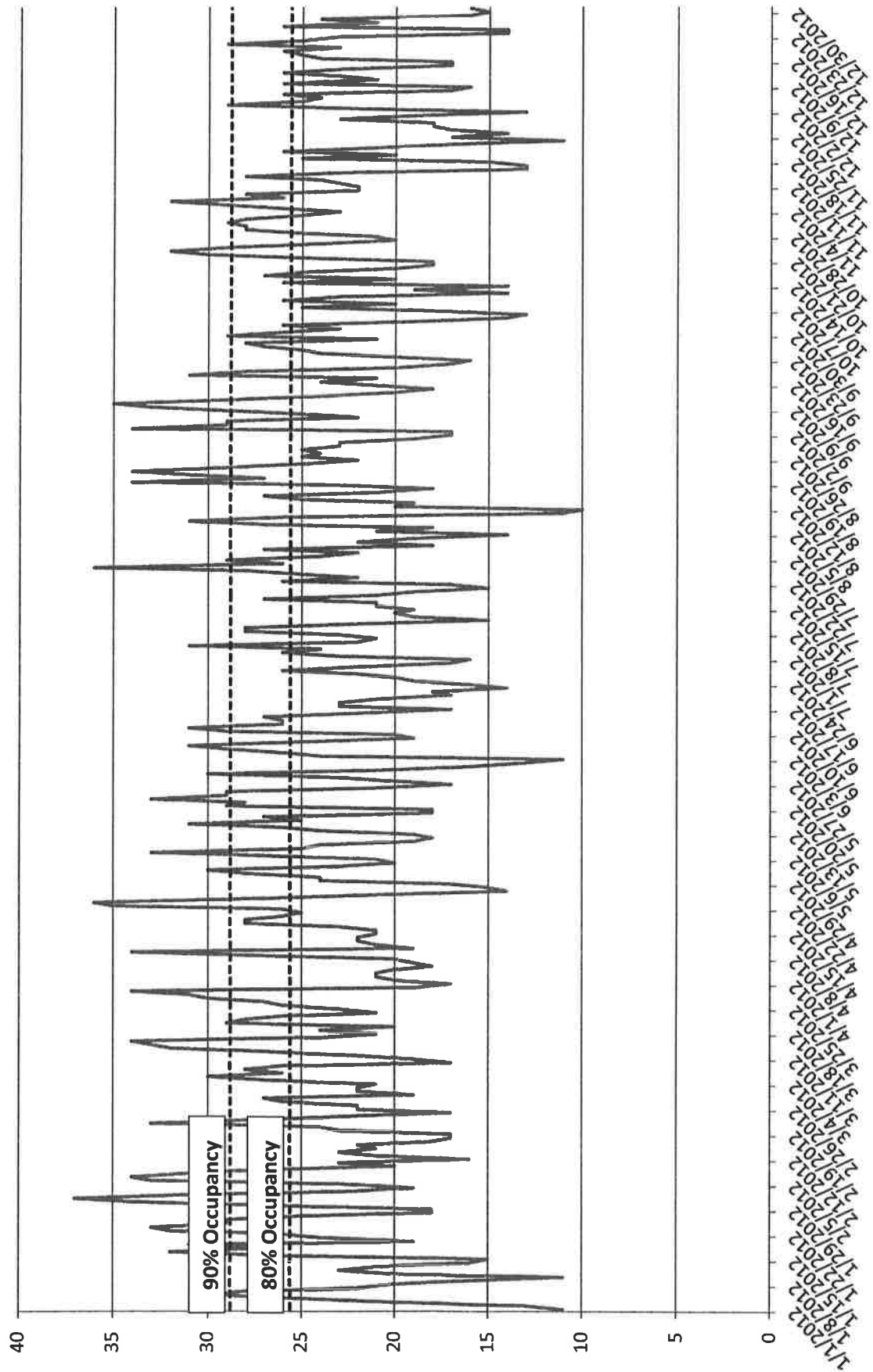
Step One: $44,086 \text{ patient days} / 365 \text{ days per year} = \text{an average daily census of } 120.8 \text{ patients};$

Step Two: $120.8 \text{ patients per day required } 151 \text{ beds, at } 80\% \text{ occupancy } (120.8 / 80\% = 151)$. Turning that around, $151 \text{ beds} \times 80\% \text{ occupancy} = 120.8 \text{ patients cared for.}$

TriStar Summit Medical Center
Medical-Surgical Census (Admission & Observation)
Full year 2012



TriStar Summit Medical Center
5th Floor (Surgical) Census (Admission & Observation)
Full year 2012



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7. Need, Item 1. (Service Specific Criteria-Comprehensive Inpatient Rehabilitation Services, #6)

a. The applicant states the “Southern Hills’ unit has grown in utilization so rapidly that the HSDA recently approved it to add four more rehabilitation beds (by conversion) regardless of the rehabilitation bed need criteria in the guidelines.” . Please clarify this statement. Please provide the Project Name and Number of the referenced project.

Southern Hills received CN1111-048 to add 4 rehabilitation beds to its 8-bed unit; the additional 4 beds opened in early 2013.

The TDH and HSDA staff reviews for that project showed no rehabilitation bed need under the Guideline’s rehabilitation bed need formula. Yet need existed. The circumstances at the time were compelling. Southern Hill’s first 8 rehabilitation beds achieved 77% occupancy in the fifth month after opening, and on several days during that period were 100% full, with patients waiting for admission. The occupancy of the three other providers in that project’s service area exceeded 74%. The HSDA found that the project was needed, and approved the addition of four rehabilitation beds within the facility’s existing bed license.

b. Please indicate if McFarland Specialty Hospital is associated with a general hospital.

It is associated with University Medical Center in Lebanon. The two facilities’ 2011 Joint Annual Reports state that both are in the Hospital Management Associates health system, that they have the same administrator, and that the same LLC owns their land and buildings.

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c. The applicant states driving away from Nashville to rural Lebanon (for rehab services) is not a reasonable option. Please clarify if McFarland Specialty Hospital is located in a rural or urban setting. What is the population of Lebanon and Wilson County and their statewide population ranking?

(1) Population and rankings: The U.S. Census Bureau's QuickFacts website estimates Lebanon to have had a population of 26,770 in CY2011, and estimates Wilson County to have had a population of 118,961 in CY2012. See attachments following this page.

The most recent (2008) TDH projections forecast that Wilson County would have 16,150 residents in CY2013. The CY2013 forecast ranks Wilson County #16 in population, Statewide.

(2) "Rural" vs. "Urban" (application page 24).

The sentence as submitted reads "...for these patients, driving away from Nashville to rural Lebanon is not a reasonable option."

Because McFarland is within the city limits of Lebanon, and "rural" technically means outside the city limits of a town, it would have been more accurate to say "...for these patients, driving away from Nashville "into more rural Wilson County" is not a reasonable option."

While the designated "Nashville Metropolitan Statistical Area" includes Wilson County, it also includes counties such as Cannon, Cheatham, Dickson, Hickman, Macon, Smith, and Trousdale. The applicant believes that most people consider those, and Wilson, to be more "rural" counties compared to Davidson County.

d. The applicant states "see McFarland's 2011 Joint Annual Report." Please indicate where this report is located in the application.

Because 2008-2011 Joint Annual Reports (JAR's) are posted on the Tennessee Department of Health website, CON applicants have not been required to attach JAR's. So McFarland's 2011 JAR was not included in the application document.

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8. Need, Item 1. (Service Specific Criteria-Comprehensive Inpatient Rehabilitation Services, #6)

The applicant states “staffing requirements and resources for the project are set forth in response C.15 below. Please indicate the location of C.15 in the application.

Please forgive this incorrect reference on page 24. That information is in Section C(III)3, page 64 of the application. A revised page 24R correcting that reference is attached following this page.

9. Need, Item 1. (Service Specific Criteria-Acute Care Services, #2)

In table Nine, the applicant appears to have used 2012-2016 TN Department of Health Bed Need Projections in parts of the table. Please verify and revise.

Attached following this page is a revised Table Nine, p. 25R, with the three “bed surplus” cells updated to the 2013-2017 projection. The other data in the table are the most current 2013-2017 projection data. The result of this update is a slightly smaller acute bed bed surplus in the service area, but no significant change in the percentages by which Summit’s project will reduce that surplus.

County can not achieve much higher occupancy than its current level, because of its semiprivate rooms, which require gender separation that often prevents a second admission to a semi-private room. Stallworth has recently declined a number of Summit's requests for admissions to a rehabilitation bed.

Southern Hills' unit has grown in utilization so rapidly that the HSDA recently approved it to add four more rehabilitation beds (by conversion) regardless of the rehabilitation bed need criteria in the Guidelines.

Skyline's rehabilitation program has also grown rapidly, and will continue to grow, because of their neurosciences programs (stroke; neurosurgery; spinal surgery).

Only the UMC McFarland facility in Lebanon, almost a half-hour drive from Summit, has persistently low occupancy on its rehabilitation beds. Once a general hospital, and now a psychiatric and rehabilitation facility, McFarland many years ago was approved to designate a much larger rehabilitation unit (26 beds) than it has ever been able to utilize. Its low utilization is not a good reason to deny a needed service in Davidson County that serves a largely different patient population. Summit serves Davidson and western Wilson County residents who are used to obtaining hospital care in Davidson County, rather than in a rural area. For these patients, driving away from Nashville to rural Lebanon is not a reasonable option. Davidson County is not even in McFarland's primary service area because in 2011 only 3% of McFarland's total admissions (both psychiatric and rehabilitation) came from Davidson County. See McFarland's 2011 Joint Annual Report.

7. The applicant must document the availability of adequate professional staff, as per licensing requirements, to deliver all designated services in the proposal. It is preferred that the medical director of a rehabilitation hospital be a board-certified physiatrist.

Complies. Staffing requirements and resources for the project are set forth in response C.(III)3, p. 64 below. The staffing conforms to licensure requirements. Summit will seek a board-certified physiatrist as medical director of the rehabilitation unit. Physiatrists direct the rehabilitation programs at Skyline and Southern Hills, its sister hospitals in Nashville.

Project-Specific Review Criteria--Acute Care Bed Services

Not applicable. This project does not add acute care beds to its service area. It decreases the area's acute care beds by 10 beds, or 1.1% of the 918-bed "surplus" projected by the Department of Health for the CY2013-CY2017 time period. However, some responses to the acute care bed guidelines are provided below to provide a better context for the project.

1. The following methodology should be used and the need for hospital beds should be projected four years into the future from the current year...(guidelines detail the steps of the bed need projection methodology; see pp. 15-16 of Guidelines for Growth.)

The Tennessee Department of Health's most recently issued bed need projection (for 2013-2017) is provided following this response. It indicates a surplus of 918 acute care hospital beds in the project's service area, Davidson and Wilson Counties. It indicates a total licensed bed complement of 3,930 beds in the project's service area.

2. New hospital beds can be approved in excess of the "need standard for a county" if the following criteria are met:

a) All existing hospitals in the projected service area have an occupancy level greater than or equal to 80% for the most recent joint annual report. Occupancy should be based on the number of licensed beds rather than on staffed beds.

b) All outstanding new acute care bed CON projects in the proposed service area are licensed.

c) The Health Facilities Agency may give special consideration to acute care bed proposals for specialty health service units in tertiary care regional referral hospitals.

Not applicable. The project does not seek to increase area beds; it seeks to decrease them:

Table Nine: Minimal Impact of Two Additional Beds On Service Area Hospital Bed Complements					
	Licensed Beds	Bed Surplus 2017	Proposed New Beds	% of Licensed Beds	% of Bed Surplus
Davidson Co.	3,685	795	-10	- .27 of 1%	-1.3%
Wilson Co.	245	75	none	0	0
Service Area	3,930	870	-10	- .25 of 1%	-1.1%

Source: TN Department of Health Hospital Bed Need Projection, 2013-2017

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10. Section C, Need, Item 2.

The applicant references in the application HCA TriStar's long-term plan to distribute acute rehabilitation services to suburban locations closer to patient's homes. Please discuss this plan and timeframe of implementation.

This project supports HCA TriStar's long-term plan to provide a wide range of acute hospital services in HCA hospitals across the Nashville Metropolitan Area. Broad distribution of rehabilitation care provides a fuller continuum of acute care for patients who have chosen HCA TriStar community hospitals as their facilities of choice. Where possible, the plan calls for redistribution of HCA's own licensed beds, from underutilized locations to locations with need--so that the redistributions do not increase areawide licensed bed complements.

The plan is a long-standing commitment, but without a specific timetable. Past CON approvals have allowed HCA TriStar facilities to implement that plan in each sector of Davidson County and surrounding areas--except on the eastern side--without addition of hospital beds to the service area. With CON approvals, TriStar Skyline & TriStar Horizon implemented inpatient rehabilitation several years ago in northern Davidson County and in Dickson County just east of Nashville. TriStar Southern Hills Medical Center has received CON approval twice for rehabilitation beds in southern Davidson County.

The next stage of the distribution plan is the establishment of acute inpatient rehabilitation services at TriStar Summit Medical Center, to fill a void in such care in the eastern sector of Davidson County and in western Wilson County around the community of Mt. Juliet. Again, this project will actually decrease the area's total licensed hospital beds by 1%, while increasing the area's designated rehabilitation beds by less than 1%.

11. Section C, Need, Item 3

The applicant states Summit Medical Center receives approximately 82% of its admissions from Davidson and Wilson counties. Please re-verify this percentage by referencing the 2011 JAR.

Please see the response to question #3 above, which responds to this question.

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12. Section C, Need, Item 4.B.

Please verify if there are any federal designated medically underserved areas in the proposed service area.

Attached following this page are excerpts from the Federal website listing several medically underserved areas within Davidson and Wilson County. The applicant does not know where these areas are within the counties.

13. Section C, Need, Item 5

a. Please discuss existing rehabilitation beds in Davidson County that are not available to patients due to serious facility licensure issues or due to a lack of need in their current location.

There are 10 unstaffed rehabilitation beds at the TriStar Skyline Medical Center satellite campus in Madison. Shortly after HCA acquired the hospital several years ago, it suspended admissions to its medical-surgical beds pending a facility evaluation for licensure and design issues. Without acute care patients being discharged to its rehabilitation unit, the hospital had no justification for continuing to staff its rehabilitation unit. Greater need for rehabilitation services was then demonstrated at Skyline's main campus several miles north of Madison; so many of Skyline Madison's rehabilitation beds were transferred to that main campus pursuant to approved CON applications.

There are 31 non-operational rehabilitation beds at Nashville Rehabilitation Hospital (NRH). At NRH's request, on January 21, 2010, the Board for Licensing Healthcare Facilities put NRH's 31-bed license into "inactive status" for a two-year period. On Feb. 7, 2013, the Board extended that status for one more year. See documentation attached after your question 3.b above. The TDOH website indicates that NRH has not filed a Joint Annual Report since 2008. Its phone number has been disconnected.

The applicant will not comment more specifically on potential licensure issues at the NRH facility, but many building deficiencies were described to the HSDA staff and Board by parties contracted to NRH, in the March 23, 2011 Board hearing of CN1012-055 for Middle Tennessee Rehabilitation Hospital, Inc. Please see HSDA files on that project.

SUPPLEMENTAL

Beech Grove Division Service Area	03254	MUA	42.30	1994/05/12	
Crockett County					
Crockett County	03185	MUA	61.00	1984/05/18	2012/05/14
MCD (?) Unknown					
Cumberland County					
Cumberland Service Area	03186	MUA	55.20	1978/11/01	
MCD (?) Unknown					
Davidson County					
Bordeaux/Inglewood	03242	MUA	61.00	1994/05/04	2008/03/27
CT 0101.05					
CT 0101.06					
CT 0109.03					
CT 0109.04					
CT 0110.01					
CT 0110.02					
CT 0113.00					
CT 0114.00					
CT 0117.00					
CT 0118.00					
CT 0119.00					
CT 0121.00					
CT 0122.00					
CT 0126.00					
CT 0127.01					
CT 0127.02					
CT 0128.01					
CT 0128.02					
CT 0192.00					
CT 0193.00					
Davidson Service Area	03243	MUA	48.27	1982/05/10	1994/05/04
CT 0160.00					
CT 0161.00					
CT 0162.00					
CT 0163.00					
CT 0164.00					
CT 0168.00					
CT 0169.00					
CT 0170.00					
CT 0171.00					
Davidson Service Area	03248	MUA	57.06	1994/07/12	
CT 0136.01					
CT 0136.02					
CT 0137.00					
CT 0139.00					
CT 0142.00					
CT 0143.00					
CT 0144.00					
CT 0148.00					
CT 0194.00					
CT 0195.00					
Decatur County					
Decatur Service Area	03187	MUA	52.20	1978/11/01	
MCD (?) Unknown					
DeKalb County					
DeKalb Service Area	03188	MUA	60.10	1978/11/01	
MCD (?) Unknown					
Dickson County					
Charlotte Service Area	03264	MUA	0.00	1994/05/12	
Dyer County					
Mississippi-Obion Service Area	03271	MUA	56.00	1994/07/12	
Newbern Service Area	03272	MUA	60.30	1994/07/12	
Fayette County					
Fayette Service Area	03189	MUA	32.80	1978/11/01	
MCD (?) Unknown					
Fentress County					
Fentress Service Area	03190	MUA	50.10	1978/11/01	
MCD (?) Unknown					
Franklin County					
Franklin Service Area	03191	MUA	44.70	1978/11/01	
MCD (?) Unknown					
Gibson County					
Gibson Service Area	07035	MUA	55.80	1978/11/01	
MCD (?) Unknown					
Giles County					
Giles Service Area	03192	MUA	51.90	1978/11/01	
MCD (?) Unknown					
Granger County					
Granger County	03193	MUA	59.70	1978/11/01	2012/05/14
MCD (?) Unknown					
Greene County					
Baileton Division Service Area	03255	MUA	56.53	1994/05/12	
Mohawk Division Service Area	03256	MUA	56.60	1994/05/12	
Grundy County					
Grundy Service Area	03194	MUA	46.10	1978/11/01	
MCD (?) Unknown					
Hamblen County					
Whitesburg Service Area	07497	MUA	61.30	1994/05/12	
Hamilton County					
Hamilton Service Area	03244	MUA	56.43	1982/06/03	1994/05/04



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County](#)[HPSA
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the
Medicare
Physician
Bonus
Payment](#)

Criteria:

State: Tennessee

County: Wilson County

ID #: All

Results: 2 records found.

Name	ID#	Type	Score	Designation Date	Update Date
Wilson County					
Wilson Service Area	03240	MUA	54.40	1978/11/01	
MCD (?) Unknown					

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b. In table Eight-B on page 36 of the application, the applicant states the table reflects inpatient facilities that have reported 2012 Joint Reports. A query of the Tennessee Department of Health's web-site reflects there are no 2012 JAR reports on file for Skyline Medical Center and Southern Hills Medical Center. Please clarify.

TDH assigns differing filing dates for Tennessee hospitals' 2012 Joint Annual Reports ("JAR's"). Both those hospitals have been assigned a filing date of May 29, 2013. Once submitted, the May batch of JAR's will be reviewed by TDH staff for several weeks before being posted on the TDH website. The Skyline and Southern Hills statistics in this application were provided directly to Summit by those affiliated HCA hospitals. The data are not from draft JAR documents; but their JAR's when filed should reflect the same data.

14. Section C, Need, Item 6.

On page 38 the applicant provides a table of Summit Medical Center's annual discharges to acute rehabilitation discharges for 2011 and 2012. Please provide a breakdown of where the 195 discharges were transferred to receive inpatient rehabilitation services in 2012.

Other TriStar	Baptist Rehab	McFarland	Sumner Regional	Vanderbilt Stallworth	KY Rehab	Other Rehab	TOTAL
126	4	22	3	20	1	19	195

15. Section C. Economic Feasibility Item 1 (Project Cost Chart) and Item 3

The Architect's letter in the attachments lists the construction costs as \$3,293,660. However, 22,218 SF multiplied by \$149.00 is \$3,310,482. Please clarify.

The architect's letter is correct, and its stated construction cost is identical to line A.5, construction cost, on the Project Cost Chart.

The \$149 PSF figure appears on application pages 10 and 49 as "approximately \$149 PSF", which is correct as an approximate, rounded-up amount. The construction cost of \$3,293,660, divided by the 22,218 SF of renovation, equals \$148.24 PSF, which the narrative rounded up to \$149 for simplicity. Attached are revised pages 10R and 49R, showing exact entries in Table Three.

APPLICANTS WITH HOSPITAL PROJECTS (CONSTRUCTION COST IN EXCESS OF \$5 MILLION) AND OTHER FACILITY PROJECTS (CONSTRUCTION COST IN EXCESS OF \$2 MILLION) SHOULD COMPLETE THE SQUARE FOOTAGE AND COSTS PER SQUARE FOOTAGE CHART...

Please see Attachment B.II.A. for this chart.

PLEASE ALSO DISCUSS AND JUSTIFY THE COST PER SQUARE FOOT FOR THIS PROJECT.

The estimated \$3,293,660 renovation construction cost for the project is approximately \$149 PSF:

Table Three: Construction Cost PSF		
Construction Cost	SF of Renovation	Construction Cost PSF
\$3,293,660	22,218	\$148.24

The 2009-2011 hospital construction projects approved by the HSDA had the following costs per SF. This project's \$149 PSF construction cost is very consistent with those ranges, being below the median for hospital renovation projects.

**Hospital Construction Cost Per Square Foot
Applications Approved by the HSDA
Years: 2009 – 2011**

	Renovated Construction	New Construction	Total Construction
1st Quartile	\$125.84/sq ft	\$235.86/sq ft	\$167.99/sq ft
Median	\$177.60/sq ft	\$274.63/sq ft	\$249.32/sq ft
3rd Quartile	\$273.69/sq ft	\$324.00/sq ft	\$301.74/sq ft

Source: Health Services and Development Agency, 2012

IF THE PROJECT INVOLVES NONE OF THE ABOVE, DESCRIBE THE DEVELOPMENT OF THE PROPOSAL.

Not applicable.

C(II).3. DISCUSS AND DOCUMENT THE REASONABLENESS OF THE PROPOSED PROJECT COSTS. IF APPLICABLE, COMPARE THE COST PER SQUARE FOOT OF CONSTRUCTION TO SIMILAR PROJECTS RECENTLY APPROVED BY THE HSDA.

The estimated \$3,293,660 renovation construction cost for the project is approximately \$149 PSF:

Table Three: Construction Cost PSF		
Construction Cost	SF of Renovation	Construction Cost PSF
\$3,293,660	22,218	\$148.24

The 2009-2011 hospital construction projects approved by the HSDA had the following costs per SF. This project's \$149 PSF construction cost is very consistent with those ranges, being below the median for hospital renovation projects.

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Applications Approved by the HSDA
Years: 2009 – 2011**

	Renovated Construction	New Construction	Total Construction
1st Quartile	\$125.84/sq ft	\$235.86/sq ft	\$167.99/sq ft
Median	\$177.60/sq ft	\$274.63/sq ft	\$249.32/sq ft
3rd Quartile	\$273.69/sq ft	\$324.00/sq ft	\$301.74/sq ft

Source: Health Services and Development Agency, 2012

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16. Section C, Economic Feasibility, Item 4 (Historical Data Chart)

a. On the historical data chart, for line B.4. the applicant refers to “notes”. Please indicate where these notes are located.

Those notes are on page 52, immediately following the Historic Data Chart on page 51. Page 52 is entitled “Notes to Historical Data Chart.”

b. The management fees for 2011 in the Historical Data chart in the amount of \$10,588,602 are not the same figures as those listed in the table on page 52 as \$11,019,000. Please clarify.

The Historical Data Chart notes page (page 52) contained a spreadsheet error. Attached following this page is a revised page 52R that agrees with the management fee number in the Historic Data Chart.

c. Please explain the reason “Other Expenses” as listed in D.9 increased from \$50,381,249 in 2010 to \$60,000,150 in 2012.

The increase was primarily due to increases in employee benefits, professional fees, and contracted services over the two-year period.

d. Please clarify why there are no Physician Salaries and Wages assigned under D.2 in the Historical Data Chart for years 2010 through 2012.

That is because Summit does not employ physicians.

e. The table on page 52 is listed as D.8, other expenses and should be listed as D.9 other expenses. Please revise.

A revised page 52R with that correction has been submitted in response to your question 16b above.

Notes to Historical Data Chart

D.9, Other expenses:

	Year 2010	Year 2011	Year 2012
Employee Benefits	11,268,000	12,925,000	12,541,770
Pro Fees	1,078,000	2,400,000	3,777,745
Ancillary Clinical Services	25,782,249	18,117,531	27,812,782
Contract Services (all)	13,253,000	14,191,000	15,867,853
Total	51,381,249	47,633,531	60,000,150

Management Fee	10,942,000	10,588,601	9,701,320
	7.24%	6.92%	5.80%

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f. (1) Please clarify how management fees are calculated.

This is a dollar amount assigned each year by the HCA corporate office to each HCA-owned hospital in the HCA system. It can be stated as an approximate per cent of net operating revenue at that hospital. The amount assigned varies each year. It is designed to cover expenses of the corporate office for management of the system. As corporate management expenses vary annually, so the management fee assigned to each hospital will vary. The applicant cannot supply Corporate's exact calculations of this expense. Please note also that these are not the same expenses as shared services like IS, billing, consulting, etc.--which are accounted for as "other expenses" in the Notes. See explanation of Parallon expenses on page 50 of the application.

f. (2) The management percentage fee of 7.2% for 2010 and 2011, and 5.8% for 2012 multiplied by Net Operating Revenue varies from the amount that is listed on page 52.

This has been amended in the revised page 52R herein submitted in response to your question 16b above.

g. Please explain the reason why management fees declined from 7.2% in 2010 to 5.8% in 2012.

They did not decline; please see the correction on revised page 52R submitted in response to your question 16b above. Over the three-year period 2010-2012, the fees were 7.24%, 6.92%, and 5.80% (rounded) of gross operating revenue. As corporate expenses vary annually, so the assigned allocation to each hospital varies.

17. Section C, Economic Feasibility, Item 4 (Projected Data Chart)

The management fee calculation for Year 2012 and 2015 appears to be incorrect. The management fee of 5.8% applied to Net Operating Revenue for 2014 and 2015 is \$282,924 and \$303,978, respectively. Please verify.

Summit Medical Center is herein amending its Projected Data Chart, the Notes page to that chart, and the response to C(II)5 with respect to that percentage. Please see revised pages 53R through 55R following this page. The hospital is projecting a management fee expense of 5.8% of net operating revenue, consistent with CY2012 experience.

PROJECTED DATA CHART – SUMMIT MEDICAL CENTER REHABILITATION UNIT SUPPLEMENTAL

Give information for the two (2) years following the completion of this proposal.

The fiscal year begins in January.

2013 APR 12 PM 3: 41

			Year 2014	Year 2015
			<u>270</u>	<u>284</u>
			<u>3,645</u>	<u>3,834</u>
A.	Utilization Data	Admissions		
		Patient Days		
B.	Revenue from Services to Patients			
1.	Inpatient Services		\$ 11,880,000	\$ 12,996,000
2.	Outpatient Services			
3.	Emergency Services			
4.	Other Operating Revenue (Specify)			
		Gross Operating Revenue	\$ 11,880,000	\$ 12,996,000
C.	Deductions for Operating Revenue			
1.	Contractual Adjustments		\$ 6,408,000	\$ 7,105,000
2.	Provision for Charity Care	1%	118,800	129,960
3.	Provisions for Bad Debt	4%	475,200	520,040
		Total Deductions	\$ 7,002,000	\$ 7,755,000
	NET OPERATING REVENUE		\$ 4,878,000	\$ 5,241,000
D.	Operating Expenses			
1.	Salaries and Wages		\$ 1,508,000	\$ 1,608,000
2.	Physicians Salaries and Wages		0	0
3.	Supplies		281,000	307,000
4.	Taxes		0	0
5.	Depreciation		0	0
6.	Rent		0	0
7.	Interest, other than Capital		0	0
8.	Management Fees			
	a. Fees to Affiliates	(5.8% of NOR)	282,924	303,978
	b. Fees to Non-Affiliates			
9.	Other Expenses (Specify)	See notes	1,227,000	1,306,000
		Total Operating Expenses	\$ 3,298,924	\$ 3,524,978
E.	Other Revenue (Expenses) -- Net (Specify)		\$	\$
	NET OPERATING INCOME (LOSS)		\$ 1,579,076	\$ 1,716,022
F.	Capital Expenditures			
1.	Retirement of Principal		\$	\$
2.	Interest			
		Total Capital Expenditures	\$ 0	\$ 0
	NET OPERATING INCOME (LOSS)			
	LESS CAPITAL EXPENDITURES		\$ 1,579,076	\$ 1,716,022

Notes to Projected Data Chart -- SMC Rehabilitation Unit

D.9: Other expenses:

Other expenses:

	Year 2014	Year 2015
Employee Benefits	408,000	440,000
Pro Fees	88,000	92,000
Repairs and Maintenance	107,000	115,000
Rents and Leases	96,000	99,000
Ancillary Clinical Services	94,000	102,000
Insurance	94,000	101,000
Parallon Allocations	340,000	357,000
	1,227,000	1,306,000

Management Fee (5.8 % of NOR - 2012 rate)	282,924	303,978
---	---------	---------

C(II).5. PLEASE IDENTIFY THE PROJECT'S AVERAGE GROSS CHARGE, AVERAGE DEDUCTION FROM OPERATING REVENUE, AND AVERAGE NET CHARGE.

Table Seventeen: Charges, Deductions, Net Charges, Net Operating Income		
	CY2014	CY2015
Admissions	270	284
Patient Days	3,645	3,834
Average Gross Charge Per Day	\$3,259	\$3,390
Average Gross Charge Per Admission	\$44,000	\$45,761
Average Deduction from Operating Revenue Per Day	\$1,921	\$2,023
Average Deduction from Operating Revenue Per Admission	\$25,933	\$27,306
Average Net Charge (Net Operating Revenue) Per Day	\$1,338	\$1,367
Average Net Charge (Net Operating Revenue) Per Admission	\$18,067	\$18,454
Average Net Operating Income after Expenses, Per Day	\$433	\$448
Average Net Operating Income after Expenses, Per Admission	\$5,848	\$6,042

Source: Projected Data Chart for Rehabilitation, Hospital management.

Page Fourteen
April 19, 2013

18. Section C, Economic Feasibility, Item 5

The calendar years of 2013 and 2014 on the provided table do not match the years listed on the Projected Data chart. Please revise.

Please see the revised page 55R attached in response to your question #17 above.

19. Section C, Economic Feasibility, Item 6.B.

a. Please compare the applicant's proposed rehabilitation charges to McFarland Specialty Hospital's Inpatient Rehabilitation charges.

The applicant does not have access to information on McFarland's charges for rehabilitation care. That facility's Joint Annual Reports include psychiatric services along with rehabilitation services and a comparison would be meaningless.

b. The first column year of 2013 in Table Eighteen on page 57 does not match the year of 2014 in the title of the table. Please clarify.

Revised page 57R, correcting "This Project 2013" to "This Project 2014" in Table Eighteen, is attached following this page.

C(II).6.B. COMPARE THE PROPOSED CHARGES TO THOSE OF SIMILAR FACILITIES IN THE SERVICE AREA/ADJOINING SERVICE AREAS, OR TO PROPOSED CHARGES OF PROJECTS RECENTLY APPROVED BY THE HSDA. IF APPLICABLE, COMPARE THE PROJECTED CHARGES OF THE PROJECT TO THE CURRENT MEDICARE ALLOWABLE FEE SCHEDULE BY COMMON PROCEDURE TERMINOLOGY (CPT) CODE(S).

The projected average gross charge for the new rehabilitation unit in CY2014 will be consistent with the average gross charges for similar area projects approved by the Agency or in operation already, once reasonable adjustments are made for annual inflation CY2014. No charge information is publicly available for rehabilitation units in hospitals because the Joint Annual Reports do not contain revenue data specific to inpatient rehabilitation services. It is available for a rehabilitation hospital, however, as shown below. Following is available charge data. (Cases are discharges or admissions.)

Table Eighteen: Year One Charges of Similar Facilities Compared to CY2014 Charge of This Project					
Provider	Gross / Net Charges	Cases	Days	Gross/Net Charges Per Case (NOR)	Gross/Net Charges Per Day
HealthSouth Rehab'n Hospital Williamson County (CN1002-059)	\$18,447,324 / \$8,231,016	537	7,245	\$34,353 / \$15,327	\$2,546 / \$1,136
VU Stallworth Rehabilitation Hospital (2011 JAR)	\$56,921,124 / \$25,001,544	1,713	22,671	\$33,228 / \$14,595	\$2,511 / \$1,103
Southern Hills Medical Center (CN 1111-048)	\$19,085,892 / \$5,522,620	347	4,530	\$55,003 / \$15,915	\$4,213 / \$1,220
THIS PROJECT (2014)	\$11,880,000 / \$4,878,000	270	3,645	\$44,000 / \$18,067	\$3,259 / \$1,338

Source: HSDA Records; Joint Annual Reports; Projected Data Chart

There is no publicly available data by which surgical bed charges can be compared to those of other hospitals in the service area.

Table Nineteen on the following page shows the most frequent procedures to be performed, with their current Medicare reimbursement, and their projected Years One and Two utilization and average gross charges.

Page Fifteen
April 19, 2013

20. Section C, Orderly Development, Item 1.

Please list the managed care organizations, alliances, and/or networks with which the applicant currently has or plans to have contractual agreements for health services.

Revised page 62R is attached following this page, adding the names of the MCO's listed in Table One, page 4 of the application.

The applicant is not, and has no plans to be, a member of any alliances or networks other than the organization of HCA TriStar hospitals in Middle Tennessee.

21. Section C, Orderly Development, Item 2.

Please indicate how the proposed rehabilitation project will minimally impact non-HCA providers that provide inpatient rehabilitation services such as McFarland Specialty Hospital.

TriStar Summit Medical Center projects discharging 12 patients to McFarland Specialty Hospital in 2013, based on current trends. It is possible that due to patient choice, some of these patients would still choose McFarland even if TriStar Summit is operating an inpatient rehabilitation unit. The potential loss of no more than one patient per month would minimally impact the operations at McFarland.

22. Section C, Orderly Development, Item 3

There appears to be discrepancies with the Tennessee Department of Labor (TDOL) average clinical salaries for the Mid-State on page 64 and the proposed project clinical salaries in the table on page 65. For instance, the RN upper hourly range of \$27.00 an hour is below the mean, median and experienced TDOL regional surveyed salaries. In addition, the Occupational Therapist and Social Worker wages for the proposed project appear to be above the "experienced" level of salaries. Please clarify.

Upon further research, the applicant has found more current 2012 Nashville area compensation data. Attached following this page are revised pages 64R and 65R, showing that proposed staff compensation is within the range of the published data.

C(III).1. LIST ALL EXISTING HEALTH CARE PROVIDERS (I.E., HOSPITALS, NURSING HOMES, HOME CARE ORGANIZATIONS, ETC.) MANAGED CARE ORGANIZATIONS, ALLIANCES, AND/OR NETWORKS WITH WHICH THE APPLICANT CURRENTLY HAS OR PLANS TO HAVE CONTRACTUAL AGREEMENTS FOR HEALTH SERVICES.

Following are the facilities most frequently utilizes in its discharge planning:

Skilled Nursing- McKendree, Mt. Juliet Healthcare, Donelson Place, Lebanon Health and Rehabilitation

Hospice- Alive Hospice, Odyssey, Avalon, Asera Care

Home Health- Suncrest, Gentevia, and Amedysis Home Health Care of Middle

Home Infusion- Walgreens, IV Solutions, Coram

DME- Medical Necessities, At Home Medical, Apria, All-Star

Summit Medical Center is fully contracted with all available TennCare MCO's in the Middle Tennessee Region. They are as follows:

Table One: Contractual Relationships with Service Area MCO's	
Available TennCare MCO's	Applicant's Relationship
AmeriGroup	contracted
United Community Healthcare Plan (formerly AmeriChoice)	contracted
Select	contracted

C(III).3. PROVIDE THE CURRENT AND/OR ANTICIPATED STAFFING PATTERN FOR ALL EMPLOYEES PROVIDING PATIENT CARE FOR THE PROJECT. THIS CAN BE REPORTED USING FTE'S FOR THESE POSITIONS. IN ADDITION, PLEASE COMPARE THE CLINICAL STAFF SALARIES IN THE PROPOSAL TO PREVAILING WAGE PATTERNS IN THE SERVICE AREA AS PUBLISHED BY THE TENNESSEE DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT AND/OR OTHER DOCUMENTED SOURCES.

Please see the following page for Table Twenty-Two, showing projected FTE's and salary ranges for both units.

The Department of Labor and Workforce Development website indicates the following Nashville area's hourly salary information for the clinical positions in this project:

Table Twenty-One: TDOL Surveyed Average Salaries for the Region				
Position	Entry Level	Median	Mean	Experienced
RN	\$21.55	\$28.90	\$31.00	\$35.70
Physical Therapist	\$26.25	\$36.40	\$35.10	\$39.55
Physical Therapy Assistant	\$16.70	\$23.60	\$23.30	\$26.60
Occupational Therapist	\$29.80	\$34.10	\$34.40	\$36.70
Certified OT Assistant	\$19.75	\$22.85	\$24.35	\$26.70
Social Worker	\$16.50	\$29.45	\$26.80	\$31.95

**Table Twenty-Two: Summit Medical Center
Acute Rehabilitation and Orthopaedic Units
Staffing Requirements (Revised on Supplemental Cycle)**

Position Type (RN, etc.)	Current FTE's	Year One FTE's	Year Two FTE's	Salary Range (Hourly)
REHABILITATION UNIT				
RN	N/A	5.40	7.00	22.00 - 32.49
LPN	N/A	1.35	1.70	15.40 - 17.00
Program Director	N/A	1.00	1.00	35.00 - 50.00
Nurse Manager	N/A	1.00	1.00	25.00 - 40.00
Unit Secretary	N/A	1.00	1.00	15.36 - 16.96
Admission Coordinator	N/A	1.00	1.00	14.42 - 15.92
Physical Therapists	N/A	2.00	2.00	27.46 - 44.40
Physical Therapy Assistant	N/A	1.00	1.00	22.69 - 32.91
Occupational Therapy	N/A	2.00	2.00	27.46 - 39.82
COTA	N/A	1.00	1.00	22.69 - 32.91
Speech Therapy	N/A	2.00	2.00	27.46 - 44.40
Case Manager/Social Worker	N/A	1.00	1.50	20.63 - 36.20
Outreach Liaisons/PPS Coordinator	N/A	3.80	3.80	19.00 - 23.00
Total FTE's, Rehabilitation Unit		23.55	26.00	
ORTHOPAEDIC UNIT				
RN	N/A	8.40	8.52	22.00 - 32.49
Certified Nurse Technician	N/A	0.00	0.00	15.40 - 17.00
Nurse Director	N/A	0.50	0.50	35.00 - 50.00
Unit Secretary	N/A	0.50	0.50	15.36 - 16.96
Total FTE's, Orthopaedic Unit		9.40	9.52	
Total FTE's, Third Floor Project		32.95	35.52	

Source: Hospital Management

Page Sixteen
April 19, 2013

23. Section C, Orderly Development, Item 4

Please indicate the plans for the staff of the current Summit inpatient psychiatric unit.

Staff members have been notified of the potential closure of psychiatric services. Summit will continue to offer psychiatric services until this CON has been granted. At that time, we will begin transitioning patients and staff to other facilities of their choice. Summit will place all affected staff members at another HCA TriStar facility if feasible, endeavoring to do this in a coordinated, timely fashion. Appropriate coordination with other parties will take place to assure that timely and adequate notice is provided to the public and to stakeholders including EMS personnel.

24. Section C, Orderly Development, Item 7 (d)

The copy of the most recent Joint Commission Survey is noted. Please provide documentation that all identified Joint Commission deficiencies were addressed through an approved plan of correction.

Documentation is attached following this page.

25. Affidavit

A signed and notarized affidavit must be submitted with each filing of an application and supplemental information. An affidavit was not included with this application. Please submit a completed affidavit for the original application and one for the supplemental information. Please note there is an affidavit form for the original filing and a separate form for supplemental responses.

The required affidavit for the original submittal was hand-delivered to HSDA on Monday, April 15. The required affidavit for these supplemental responses is attached at the end of this letter.



SUPPLEMENTAL

January 2, 2013

Jeff Whitehorn
Chief Executive Officer
Summit Medical Center
5655 Frist Boulevard
Hermitage, TN 37076

Joint Commission ID #: 7806
Program: Hospital Accreditation
Accreditation Activity: Measure of Success
Accreditation Activity Completed: 01/02/2013

Dear Mr. Whitehorn:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high-quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

The Joint Commission is granting your organization an accreditation decision of Accredited for all services surveyed under the applicable manual(s) noted below:

- Comprehensive Accreditation Manual for Hospitals

This accreditation cycle is effective beginning May 26, 2012. The Joint Commission reserves the right to shorten or lengthen the duration of the cycle; however, the certificate and cycle are customarily valid for up to 36 months.

Please visit Quality Check® on The Joint Commission web site for updated information related to your accreditation decision.

We encourage you to share this accreditation decision with your organization's appropriate staff, leadership, and governing body. You may also want to inform the Centers for Medicare and Medicaid Services (CMS), state or regional regulatory services, and the public you serve of your organization's accreditation decision.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS

Chief Operating Officer

Division of Accreditation and Certification Operations



Summit Medical Center
5655 Frist Boulevard
Hermitage, TN 37076

Organization Identification Number: 7806

Evidence of Standards Compliance (45 Day) Submitted: 7/22/2012

Program(s)
Hospital Accreditation

Executive Summary

Hospital Accreditation : As a result of the accreditation activity conducted on the above date(s), there were no Requirements for Improvement identified.

You will have follow-up in the area(s) indicated below:

- Measure of Success (MOS) – A follow-up Measure of Success will occur in four (4) months.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.

Summit Medical Center
5655 Frist Boulevard
Hermitage, TN 37076

Organization Identification Number: 7806

Evidence of Standards Compliance (60 Day) Submitted: 8/16/2012

Program(s)
Hospital Accreditation

Executive Summary

Hospital Accreditation : As a result of the accreditation activity conducted on the above date(s), there were no Requirements for Improvement identified.

If you have any questions, please do not hesitate to contact your Account Executive.

Thank you for collaborating with The Joint Commission to improve the safety and quality of care provided to patients.



August 16, 2012

Re: # 7806
CCN: #440150
Program: Hospital
Accreditation Expiration Date: May 26, 2015

Jeff Whitehorn
Chief Executive Officer
Summit Medical Center
5655 Frist Boulevard
Hermitage, Tennessee 37076

Dear Mr. Whitehorn:

This letter confirms that your May 22, 2012 - May 25, 2012 unannounced full resurvey was conducted for the purposes of assessing compliance with the Medicare conditions for hospitals through The Joint Commission's deemed status survey process.

Based upon the submission of your evidence of standards compliance on July 22, 2012 and August 16, 2012, the areas of deficiency listed below have been removed. The Joint Commission is granting your organization an accreditation decision of Accredited with an effective date of May 26, 2012. We congratulate you on your effective resolution of these deficiencies.

§482.23 Condition of Participation: Nursing Services
§482.24 Condition of Participation: Medical Record Services
§482.25 Condition of Participation: Pharmaceutical Services
§482.41 Condition of Participation: Physical Environment

The Joint Commission is also recommending your organization for continued Medicare certification effective May 26, 2012. Please note that the Centers for Medicare and Medicaid Services (CMS) Regional Office (RO) makes the final determination regarding your Medicare participation and the effective date of participation in accordance with the regulations at 42 CFR 489.13. Your organization is encouraged to share a copy of this Medicare recommendation letter with your State Survey Agency.

This recommendation also applies to the following location(s):

Summit Medical Center
5655 Frist Blvd., Hermitage, TN, 37076

Summit Imaging
100 Physicians Way, Ste. 100 & 110, Lebanon, TN, 37087

Summit Outpatient Center
3901 Central Pike, Hermitage, TN, 37076

www.jointcommission.org

Headquarters
One Renaissance Boulevard
Oakbrook Terrace, IL 60181
630 792 5000 Voice



SUPPLEMENTAL

We direct your attention to some important Joint Commission policies. First, your Medicare report is publicly accessible as required by the Joint Commission's agreement with the Centers for Medicare and Medicaid Services. Second, Joint Commission policy requires that you inform us of any changes in the name or ownership of your organization, or health care services you provide.

Sincerely,

Mark G. Pelletier, RN, MS
Chief Operating Officer
Division of Accreditation and Certification Operations

cc: CMS/Central Office/Survey & Certification Group/Division of Acute Care Services
CMS/Regional Office 4 /Survey and Certification Staff



SUPPLEMENTAL

July 23, 2012

Jeff Whitehorn
Chief Executive Officer
Summit Medical Center
5655 Frist Boulevard
Hermitage, TN 37076

Joint Commission ID #: 7806
Program: Hospital Accreditation
Accreditation Activity: 45-day Evidence of
Standards Compliance
Accreditation Activity Completed:
07/23/2012

Dear Mr. Whitehorn:

The Joint Commission would like to thank your organization for participating in the accreditation process. This process is designed to help your organization continuously provide safe, high - quality care, treatment, and services by identifying opportunities for improvement in your processes and helping you follow through on and implement these improvements. We encourage you to use the accreditation process as a continuous standards compliance and operational improvement tool.

With that goal in mind, your organization received Requirement(s) for Improvement during its recent survey. These requirements have been summarized in the Accreditation Report provided by the survey team that visited your organization.

Please be assured that The Joint Commission will keep the report confidential, except as required by law. To ensure that The Joint Commission's information about your organization is always accurate and current, our policy requires that you inform us of any changes in the name or ownership of your organization or the health care services you provide.

Please visit [Quality Check®](#) on The Joint Commission web site for updated information related to your accreditation decision.

Sincerely,

Mark G. Pelletier, RN, MS

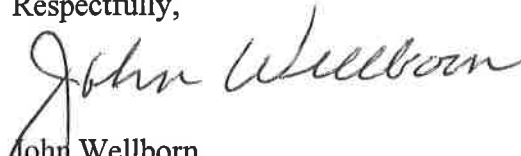
Chief Operating Officer

Division of Accreditation and Certification Operations

Page Seventeen
April 19, 2013

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please FAX or telephone me so that we can respond in time to be deemed complete.

Respectfully,



John Wellborn
Consultant

AFFIDAVIT

SUPPLEMENTAL

2013 APR 19 PM 3:41

STATE OF TENNESSEE

COUNTY OF DAVIDSON

NAME OF FACILITY:

Summit Medical Center - Rehabilitation
& Orthopedic Beds

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the lawful agent of the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete to the best of my knowledge.

John Wellborn
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 19 day of April, 2013,
witness my hand at office in the County of Davidson, State of Tennessee.

Christopher D. Dobbs
NOTARY PUBLIC

My commission expires 6-21, 16.

HF-0043

Revised 7/02



Copy

Supplemental #2

Summit Medical Center

CN1304-011

2013 APR 24 PM 4:18

April 23, 2013

Phillip M. Earhart, Health Planner III
Tennessee Health Services and Development Agency
161 Rosa L. Parks Boulevard
Nashville, Tennessee 37203

RE: CON Application #CN1304-011
Summit Medical Center--Rehabilitation Service & Bed Conversion

Dear Mr. Earhart:

This letter responds to your second request for additional information on this application. The items below are numbered to correspond to your questions. They are provided in triplicate, with affidavit. Please note that some responses will be forwarded under separate cover.

1. Section C, Need, Item 2.

The applicant response to HCA TriStar's long-term plan to distribute acute rehabilitation services is noted. In that response the applicant stated "with CON approvals, TriStar Skyline and TriStar Horizon implemented inpatient rehabilitation several years ago in northern Davidson County and in Dickson County just east of Nashville." Please clarify the location of TriStar's Horizon Medical Center's rehabilitation beds in relation to Nashville.

TriStar Horizon Medical Center is the closest hospital to Nashville-Davidson County going west on I-40. It is 5.5 miles north of Exit 172 on I-40, in the City of Dickson. Its campus is approximately 29 miles and 32 minutes' drive west of I-40 Exit 196 at Bellevue, a rapidly growing area on the western edge of Davidson County. Attached following this page is a map showing its location.

2. Section C, Economic Feasibility, Item 4 (Historical Data Chart)

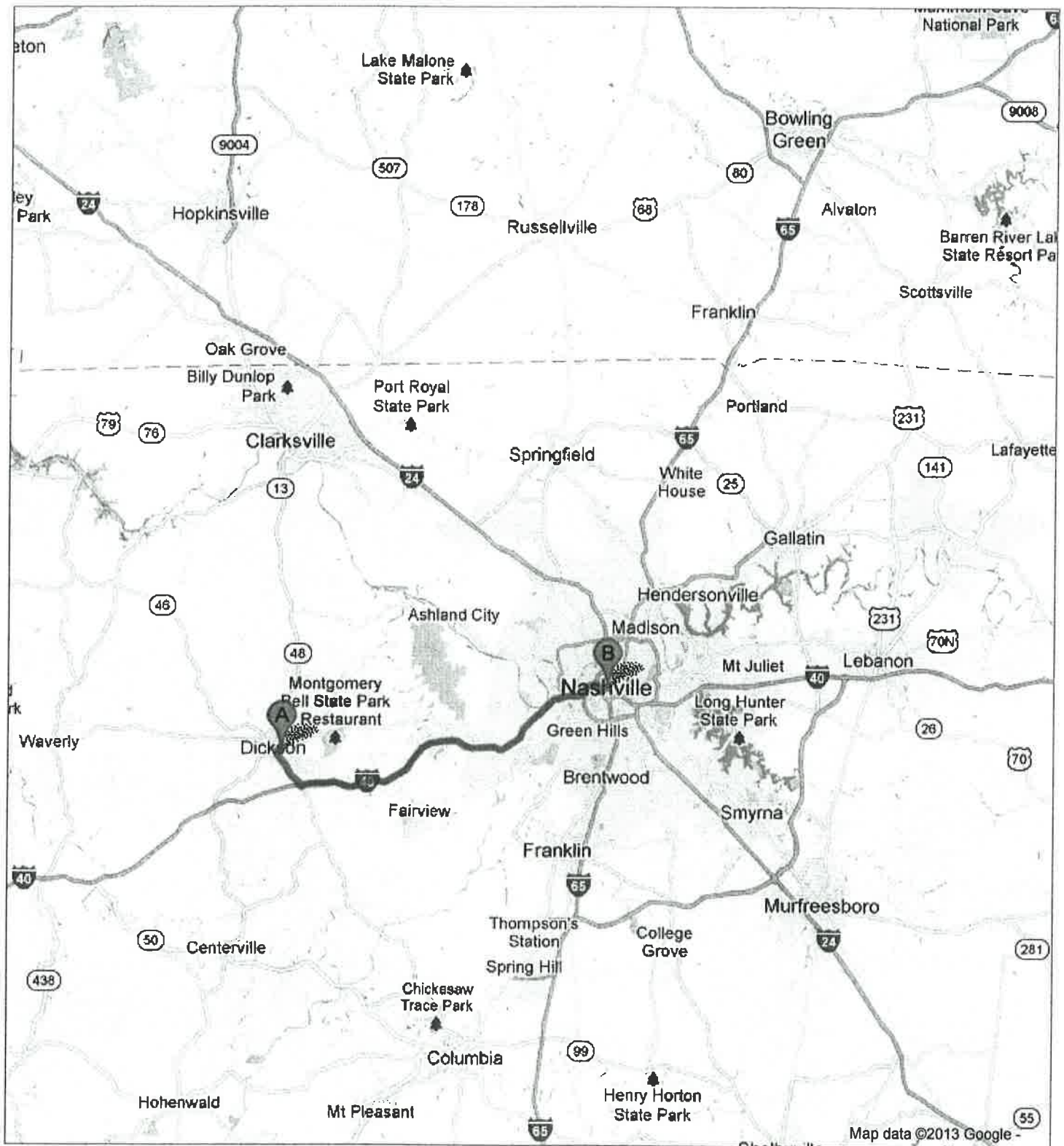
Please specify B.4. "Other Operating Revenue" on the Historical Data Chart in the amounts of \$2,089,089 in 2010 and \$2,369,663 in 2011.

Attached following this page are revised pages 51R and 52R, the Historic Data Chart and its Notes page. The notes provide the requested itemization.

SUPPLEMENTAL- # 2

To see all the details that are visible on the screen, use the "Print" link next to the map.

Google



HISTORICAL DATA CHART -- SUMMIT MEDICAL CENTER

2013 APR 24 PM 4: 17

Give information for the last three (3) years for which complete data are available for the facility or agency.

The fiscal year begins in January.

	Year 2010	Year 2011	Year 2012
A. Utilization Data (JAR discharge days)	41,759	39,877	42,673
B. Revenue from Services to Patients			
1. Inpatient Services	\$ 340,144,880	371,674,202	419,876,431
2. Outpatient Services	240,272,739	236,798,113	277,624,464
3. Emergency Services	43,587,757	46,936,541	58,231,463
4. Other Operating Revenue	2,089,089	2,369,663	3,098,447
(Specify) See notes			
Gross Operating Revenue	\$ 626,094,465	\$ 657,778,519	\$ 758,830,805
C. Deductions for Operating Revenue			
1. Contractual Adjustments	\$ 424,831,830	456,728,007	525,148,823
2. Provision for Charity Care	2,281,357	3,723,069	5,390,825
3. Provisions for Bad Debt	47,854,780	44,276,197	60,246,469
Total Deductions	\$ 474,967,967	\$ 504,727,273	\$ 590,786,117
NET OPERATING REVENUE	\$ 151,126,498	\$ 153,051,246	\$ 168,044,688
D. Operating Expenses			
1. Salaries and Wages	\$ 42,362,204	42,613,777	44,289,349
2. Physicians Salaries and Wages	0	0	0
3. Supplies	25,195,000	29,427,000	24,856,680
4. Taxes	1,257,530	1,202,224	1,339,041
5. Depreciation	7,020,600	7,017,441	7,489,453
6. Rent	1,826,000	1,911,000	1,711,583
7. Interest, other than Capital	251,487	243,557	249,857
8. Management Fees			
a. Fees to Affiliates	10,942,208	10,588,601	9,701,320
b. Fees to Non-Affiliates	0	0	0
9. Other Expenses (Specify) See notes	51,381,249	47,633,531	60,000,150
Total Operating Expenses	\$ 140,236,278	140,637,131	149,637,433
E. Other Revenue (Expenses) -- Net (Specify)	\$	\$	\$
NET OPERATING INCOME (LOSS)	\$ 10,890,220	\$ 12,414,115	\$ 18,407,255
F. Capital Expenditures			
1. Retirement of Principal	\$ 0	\$ 0	\$ 0
2. Interest	0	0	0
Total Capital Expenditures	\$ 0	\$ 0	\$ 0
NET OPERATING INCOME (LOSS)			
LESS CAPITAL EXPENDITURES	\$ 10,890,220	\$ 12,414,115	\$ 18,407,255

Notes for Other Operating Revenue

	<u>Year 2010</u>	<u>Year 2011</u>	<u>Year 2012</u>
Fitness Center Dues	7,315	6,175	6,080
Cafeteria Sales	575,217	599,859	611,000
Cafeteria Catering Sales	0	2,855	6,630
Vending Machine Income	19,509	3,474	3,915
Other Income - Recycling	16,497	1,645	1,670
Xray Film Copies	1,220	600	886
Rental/Lease Income	438,401	402,604	398,694
Donations & Gifts - HRSA	50,394	14,862	12,358
Voluntary Paternity Program	7,080	5,540	5,620
NSQIP Grant	0	0	60,000
Child Birth Education	16,865	12,700	12,060
Pharmacy Student Orientation Income	0	17,400	0
Lab Surveillance Honorarium	1,350	900	1,800
Medical Staff Dues	9,400	19,390	19,300
Other Income - Education	803	430	523
<i>Subtotal Other Revenue</i>	<u>1,144,051</u>	<u>1,088,434</u>	<u>1,140,536</u>
Essential Access/DSH Pymt	685,457	755,420	887,998
Amerigroup Settlement	0	0	72,911
Medicare PY Contractual	66,627	248,663	858,838
Champus PY Contractual	54,785	138,977	138,164
TNCare FMAP Pool Distribution	138,169	138,169	0
<i>Subtotal PY Contractuals</i>	<u>945,038</u>	<u>1,281,229</u>	<u>1,957,911</u>
Total Other Operating Revenue	<u><u>2,089,089</u></u>	<u><u>2,369,663</u></u>	<u><u>3,098,447</u></u>

Page Two
April 23, 2013

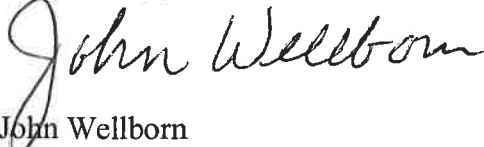
3. Section C, Economic Feasibility, Item 4 (Projected Data Chart)

The Provisions for Bad Debt for the Year 2015 in the amount of \$520,040 appears to be incorrect. Please verify.

Attached following this page is revised page 53R, the Projected Data Chart, with bad debt in 2015 adjusted to \$519,840. Also attached is page 55R, where two numbers in Table Seventeen changed by one digit as a result of correcting the Projected Data Chart.

Thank you for your assistance. We hope this provides the information needed to accept the application into the next review cycle. If more is needed please FAX or telephone me so that we can respond in time to be deemed complete.

Respectfully,

A handwritten signature in cursive script that reads "John Wellborn". The signature is written in black ink and is positioned above the printed name and title.

John Wellborn
Consultant

SUPPLEMENTAL- # 2

PROJECTED DATA CHART – SUMMIT MEDICAL CENTER REHABILITATION UNIT April 24, 2013
4:16 pm

Give information for the two (2) years following the completion of this proposal.

The fiscal year begins in January.

2013 APR 24 PM 4 22

		Year 2014	Year 2015
	Admissions	<u>270</u>	<u>284</u>
A.	Utilization Data		
	Patient Days	<u>3,645</u>	<u>3,834</u>
B.	Revenue from Services to Patients		
1.	Inpatient Services	\$ <u>11,880,000</u>	\$ <u>12,996,000</u>
2.	Outpatient Services	<u> </u>	<u> </u>
3.	Emergency Services	<u> </u>	<u> </u>
4.	Other Operating Revenue (Specify) <u> </u>	<u> </u>	<u> </u>
	Gross Operating Revenue	\$ <u>11,880,000</u>	\$ <u>12,996,000</u>
C.	Deductions for Operating Revenue		
1.	Contractual Adjustments	\$ <u>6,408,000</u>	\$ <u>7,105,000</u>
2.	Provision for Charity Care 1%	<u>118,800</u>	<u>129,960</u>
3.	Provisions for Bad Debt 4%	<u>475,200</u>	<u>519,840</u>
	Total Deductions	\$ <u>7,002,000</u>	\$ <u>7,754,800</u>
	NET OPERATING REVENUE	\$ <u>4,878,000</u>	\$ <u>5,241,200</u>
D.	Operating Expenses		
1.	Salaries and Wages	\$ <u>1,508,000</u>	\$ <u>1,608,000</u>
2.	Physicians Salaries and Wages	<u>0</u>	<u>0</u>
3.	Supplies	<u>281,000</u>	<u>307,000</u>
4.	Taxes	<u>0</u>	<u>0</u>
5.	Depreciation	<u>0</u>	<u>0</u>
6.	Rent	<u>0</u>	<u>0</u>
7.	Interest, other than Capital	<u>0</u>	<u>0</u>
8.	Management Fees	<u> </u>	<u> </u>
	a. Fees to Affiliates (5.8% of NOR)	<u>282,924</u>	<u>303,978</u>
	b. Fees to Non-Affiliates	<u> </u>	<u> </u>
9.	Other Expenses (Specify) <u>See notes</u>	<u>1,227,000</u>	<u>1,306,000</u>
	Total Operating Expenses	\$ <u>3,298,924</u>	\$ <u>3,524,978</u>
E.	Other Revenue (Expenses) -- Net (Specify)	\$ <u> </u>	\$ <u> </u>
	NET OPERATING INCOME (LOSS)	\$ <u>1,579,076</u>	\$ <u>1,716,222</u>
F.	Capital Expenditures		
1.	Retirement of Principal	\$ <u> </u>	\$ <u> </u>
2.	Interest	<u> </u>	<u> </u>
	Total Capital Expenditures	\$ <u>0</u>	\$ <u>0</u>
	NET OPERATING INCOME (LOSS)		
	LESS CAPITAL EXPENDITURES	\$ <u>1,579,076</u>	\$ <u>1,716,222</u>

C(II).5. PLEASE IDENTIFY THE PROJECT'S AVERAGE GROSS CHARGE, AVERAGE DEDUCTION FROM OPERATING REVENUE, AND AVERAGE NET CHARGE.

Table Seventeen: Charges, Deductions, Net Charges, Net Operating Income		
	CY2014	CY2015
Admissions	270	284
Patient Days	3,645	3,834
Average Gross Charge Per Day	\$3,259	\$3,390
Average Gross Charge Per Admission	\$44,000	\$45,761
Average Deduction from Operating Revenue Per Day	\$1,921	\$2,023
Average Deduction from Operating Revenue Per Admission	\$25,933	\$27,306
Average Net Charge (Net Operating Revenue) Per Day	\$1,338	\$1,367
Average Net Charge (Net Operating Revenue) Per Admission	\$18,067	\$18,455
Average Net Operating Income after Expenses, Per Day	\$433	\$448
Average Net Operating Income after Expenses, Per Admission	\$5,848	\$6,043

Source: Projected Data Chart for Rehabilitation, Hospital management.

April 24, 2013
4:16 pmAFFIDAVIT

STATE OF TENNESSEE

2013 APR 24 PM 4:16

COUNTY OF DAVIDSON

NAME OF FACILITY:

Summit Medical Center - Rehabilitation

I, JOHN WELLBORN, after first being duly sworn, state under oath that I am the lawful agent of the applicant named in this Certificate of Need application or the lawful agent thereof, that I have reviewed all of the supplemental information submitted herewith, and that it is true, accurate, and complete to the best of my knowledge.

John Wellborn
Signature/Title

Sworn to and subscribed before me, a Notary Public, this the 24 day of APRIL, 2013
witness my hand at office in the County of DAVIDSON, State of Tennessee.

John B. Pollose
NOTARY PUBLIC

My commission expires 1-11-2017

HF-0043

Revised 7/02



Copy

**Additional Information to
Application**

Summit Medical Center

CN1304-011

AFFIDAVIT 2013 APR 15 PM 3 18

STATE OF TENNESSEE

COUNTY OF DAVIDSON

JOHN WELLBORN, being first duly sworn, says that he/she is the lawful agent of the applicant named in this application, that this project will be completed in accordance with the application to the best of the agent's knowledge, that the agent has read the directions to this application, the Rules of the Health Services and Development Agency, and T.C.A. § 68-11-1601, *et seq.*, and that the responses to this application or any other questions deemed appropriate by the Health Services and Development Agency are true and complete to the best of the agent's knowledge.

John Wellborn
SIGNATURE/TITLE

Sworn to and subscribed before me this 10 day of APRIL, 2013 a Notary
(Month) (Year)

Public in and for the County/State of DAVIDSON CO., TN

Jim B. Poulos
NOTARY PUBLIC

My commission expires

04/10/13 TBG
(Month/Day)
1-11

